PROSPECTUS
Dated February 1, 2008
Please read section 60B of the Companies Act, 1956
100% Book Built Issue

OnMobile Global Limited

(Our Company was incorporated as Onscan Technologies India Private Limited on September 27, 2000. The name of our Company was changed to OnMobile Asia Pacific Private Limited with effect from April 10, 2001 and a fresh certificate of incorporation consequent on change of name was issued by the Registrar of Companies, Karnataka. The name of our Company was further changed to OnMobile Global Limited and status of our Company was changed to a public limited company by a special resolution of the members passed at the annual general meeting held on August 17, 2007. The fresh certificate of incorporation consequent on change of name was granted to our Company on August 21, 2007 by the Registrar of Companies, Karnataka.)

Registered Office: No. 26, Bannerghatta Road, J.P.Nagar 3rd Phase, Bangalore 560 076, India
For changes in our registered office see "History and Certain Corporate Matters" on page 87.

Company Secretary and Compliance Officer: Srikiran D.
Tel: (91 80) 41802500; Fax: (91 80) 4180 2810; Email:investors@onmobile.com; Website: www.onmobile.com

PUBLIC ISSUE OF 10,900,545 EQUITY SHARES OF RS. 10 EACH FOR CASH AT A PRICE OF RS 440 PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF RS. 430 PER EQUITY SHARE BY ONMOBILE GLOBAL LIMITED (THE "COMPANY OR "THE ISSUER"), CONSISTING OF A FRESH ISSUE OF 8,613,356 EQUITY SHARES AND AN OFFER FOR SALE OF 2,287,189 EQUITY SHARES BY ONMOBILE SYSTEMS INC. (THE "SELLING SHAREHOLDER" OR "OMSI") AGGREGATING RS. 4,796.24 MILLION (THE "ISSUE"). THE ISSUE WOULD CONSTITUTE 18.99% OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF THE COMPANY.

ISSUE PRICE OF RS. 440 PER EQUITY SHARE OF FACE VALUE RS. 10.
THE FACE VALUE OF THE EQUITY SHARES IS RS. 10 AND THE ISSUE PRICE IS 44 TIMES OF THE FACE VALUE

In case of revision in the Price Band, the Bidding Period will be extended for three additional days after revision of the Price Band subject to the Bidding Period/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to the National Stock Exchange of India Limited ("**NSE**") and the Bombay Stock Exchange Limited ("**BSE**"), by issuing a press release, and also by indicating the change on the websites of the Book Running Lead Managers and at the terminals of the Syndicate.

In terms of Rule 19(2)(b) of the Securities Contract Regulation Rules, 1957 ("**SCRR**"), this being an Issue for less than 25% of the post–Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue will be allocated on a proportionate basis to Qualified Institutional Buyers ("**QIBs**"), out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to all QIBs including Mutual Funds, subject to valid bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of Equity Shares of the Company, there has been no formal market for the Equity Shares of the Company. The face value of the Equity Shares is Rs.10 per Equity Share and the Issue Price is 44 times of the face value. The Issue price (as determined by the Company and the Selling Shareholder, in consultation with the Book Running Lead Managers, on the basis of assessment of market demand for the Equity Shares offered by way of book building) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of the Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of this Prospectus. Specific attention of the investors is invited to "Risk Factors" on page xi.

ISSUER'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

The Issuer and the Selling Shareholder having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

IPO GRADING

The Issue has been graded above average and has been assigned a grade of 4/5. The IPO Grading is assigned on a 5 point scale from 1 to 5 with an IPO Grade 5/5 indicating strong fundamentals and an IPO Grade 1/5 indicating poor fundamentals.

LISTING ARRANGEMENT

The Equity Shares offered through this Prospectus are proposed to be listed on the NSE and the BSE. We have received in-principle approvals from NSE and BSE for the listing of our Equity Shares pursuant to letters dated November 2, 2007 and October 30, 2007 respectively. For purposes of this Issue, the Designated Stock Exchange is BSE.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE ISSUE
Deutsche Bank Group	ICICI Securities	KARVY Karvy Computershare Private Limited
Deutsche Equities India Private Limited	**ICICI Securities Limited**	**Karvy Computershare Private Limited**
Kodak House, 3rd Floor	ICICI Center	Karvy House
222, Dr. D. N. Road	HT Parekh Marg	46, Avenue 4, Street No. 1
Fort	Churchgate	Banjara Hills
Mumbai 400 001	Mumbai 400 020	Hyderabad 500 034
India	India	India
Tel: (91 22) 6658 4600	Tel: (91 22) 2288 2460/70	Tel: (91 40) 2342 0818
Fax: (91 22) 2200 6765	Fax: (91 22) 2282 6580	Fax: (91 40) 2342 0814
Email: onmobile.ipo@db.com	Email: onmobile_ipo@isecltd.com	Email: einward.ris@karvy.com
Website: www.db.com/india	Website: www.icicisecurities.com	Website: www.kcpl.karvy.com
Contact Person: Mr. Sameer Taimni	Contact Person: Mr. Sumanth Rao	Contact person: Mr. M. Murali Krishna
Registration No.: MB/ INM000010833	Registration No.: INM000011179	

BID/ISSUE PROGRAMME

BID/ISSUE OPENS ON: JANUARY 24, 2008	BID/ISSUE CLOSES ON: JANUARY 29, 2008

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SECTION I- GENERAL

DEFINITIONS AND ABBREVIATIONS

Term	Description
"We", "us", "our"	Unless the context otherwise indicates or implies, "we", "our", or "us", refers to OnMobile Global Limited and its Subsidiaries on a consolidated basis
"the Issuer", "the Company" and "our Company"	Refers to OnMobile Global Limited on a stand alone basis

Company Related Terms

Term	Description
Argo	Argo Global Capital LLC (through ARGC IV L.P., ARGC V L.P.and ARGO II: The Wireless Internet Funds)
Articles	Articles of Association of our Company
Auditors	The statutory auditors of our Company
Board/ Board of Directors	Board of Directors of our Company, unless otherwise specified
CTO	Chief Technology Officer
DB	Deutsche Bank AG
ESOP Plan I, 2003	Adopted for the benefit of employees eligible under the plan. The total options earmarked were 1,026,000 (Adjusted to 13,338,000 after adjusting for the Bonus issue on August 17, 2007). The plan was approved by the shareholders of our Company at EGM held on November 29, 2003
ESOP Plan II, 2003	Adopted for the benefit of employees eligible under the plan. The total options earmarked were 114,000 (adjusted to 1,482,000 after the Bonus issue on August 17, 2007). The plan was approved by the shareholders of our Company at EGM held on November 29, 2003
ESOP Plan III, 2006	Adopted for the benefit of employees eligible under the plan. The total options earmarked were 61,567 (adjusted to 774,371 after the Bonus issue on August 17, 2007). The plan was approved by the shareholders of our Company at AGM held on July 24, 2006
ESOP Plan I, 2007	Adopted for the benefit of employees eligible under the plan. The total options earmarked were 975,000. The plan was approved by the shareholders of our Company at AGM held on August 17, 2007. No grants have been made under this plan
ESOP Plan II, 2007	Adopted for the benefit of employees eligible under the plan. The total options earmarked were 5,720 (Adjusted to 74,360 after the Bonus issue on August 17, 2007). The plan was approved by the shareholders of our Company at AGM held on August 17, 2007. No grants have been made under this plan
ESOP Plans	ESOP Plan I, 2003, ESOP Plan II, 2003, ESOP Plan III, 2006, ESOP Plan I, 2007 and ESOP Plan II, 2007
Infosys	Infosys Technologies Limited
Investment Agreement	Investment agreement dated August 30, 2006 entered into between our Company, Deutsche Bank AG, Jade Dragon (Mauritius) Limited, Kings Road Investments Limited, OnMobile Systems Inc., Argo Global Capital, Arvind Rao and Chandramouli Janakiraman, as amended by an Addendum to the Investment Agreement of even date
ITfinity	ITfinity Solutions Private Limited
JD	Jade Dragon (Mauritius) Limited
Key Equity Holders	Arvind Rao and Chandramouli Janakiraman
Kings Road	Kings Road Investments Limited
Letter of Variation	Letter of Variation executed on August 17, 2007 between OMSI, Arvind Rao, Chandramouli Janakiraman, Deutsche Bank AG, Jade Dragon (Mauritius) Limited, Kings Road Investments Limited our Company and Argo Global Capital
Memorandum	Memorandum of Association of our Company
New Equity Shares	Equity shares subscribed to by Deutsche Bank AG, Jade Dragon (Mauritius) Limited and Kings Road Investments Limited under the Investment Agreement
New Preference Shares	Preference shares subscribed to by Deutsche Bank AG, Jade Dragon (Mauritius) Limited and Kings Road Investments Limited under the Investment Agreement
New Securities	Shares or share equivalents of the Company, or any rights, options or warrants to purchase the same, excluding those issued pursuant to ESOP, Approved ESOP, share splits, share consolidation or bonus issue, or issued under an IPO
Offered Shares	Shares or share equivalents transferred by Arvind Rao or Chandramouli Janakiraman to any person

OMSI	OnMobile Systems, Inc.
Parent Company	OMSI
Registered Office	Registered office of our Company situated at 26, Bannerghatta Road, J.P.Nagar 3rd Phase, Bangalore 560 076
Promoters	OMSI, Arvind Rao and Chandramouli Janakiraman
Promoter Group	Promoter Group Individuals and Promoter Group Entities
Promoter Group Entities	Argo Global Capital (through ARGC IV, LP, ARGC V, LP and ARGO II: The wireless internet fund), Infosys Technologies Limited, Mobile Traffik Private Limited and RiffMobile Private Limited
Promoter Group Individuals	J. Radha, J. Ramesh, J. Seetha, N.K. Parvathi, P.S. Venkatasubramanian, P.V. Kannan, P.V. Sunitha, Sharad Rao and V. Janakiraman
Secondary Sale	Sale by OMSI of 2,042,141 Equity Shares and by Kings Road Investments (Mauritius) Limited of 800,000 Equity Shares of our Company after the filing of the DRHP and prior to the filing of the RHP, to various non-resident investors at a price of Rs. 425 per Equity Share
Shareholders Agreement	Shareholders agreement dated August 30, 2006 entered into between our Company, Deutsche Bank AG, Jade Dragon (Mauritius) Limited, Kings Road Investments Limited, Argo Global Capital LL.C., Arvind Rao and Chandramouli Janakiraman
Subsidiaries	Subsidiaries of our Company, namely, OnMobile Australia Pty. Ltd., OnMobile Singapore Pte. Ltd., PT OnMobile Indonesia, Phonetize Solutions Private Limited, Vox mobili SA, Vox mobili Inc. and Ver Se Innovation Private Limited
Vox mobili	A subsidiary of our Company, Vox mobili SA, a company incorporated under the laws of France

Issue Related Terms

Term	Description
Allotment/Allot	Unless the context otherwise requires, the allotment and transfer of Equity Shares, pursuant to the Issue and the transfer of Equity Shares pursuant to the Offer for Sale
Allottee	The successful Bidder to whom the Equity Shares are/ have been issued or transferred
Banker(s) to the Issue	Deutsche Bank AG, ICICI Bank Limited and Kotak Mahindra Bank Limited
Bid	An indication to make an offer during the Bidding Period by a prospective investor to subscribe to the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto
Bid / Issue Closing Date	The date after which the Syndicate will not accept any Bids for the Issue, which shall be notified in an English national newspaper, a Hindi national newspaper and a Kannada newspaper with wide circulation
Bid / Issue Opening Date	The date on which the Syndicate shall start accepting Bids for the Issue, which shall be the date notified in an English national newspaper, a Hindi national newspaper and a Kannada newspaper with wide circulation
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder on submission of the Bid in the Issue
Bid cum Application Form	The form in terms of which the Bidder shall make an offer to purchase Equity Shares of our Company in terms of the Red Herring Prospectus and the Bid cum Application Form
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form
Bidding / Issue Period	The period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids
Book Building Process/ Method	Book building route as provided in Chapter XI of the SEBI Guidelines, in terms of which this Issue is being made
Book Running Lead Managers/BRLMs	Book Running Lead Managers to the Issue, in this case being Deutsche Equities India Private Limited and ICICI Securities Limited
CAN/ Confirmation of Allocation Note	Means the note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted
Cut-off Price	A price within the price band finalised by our Company and the Selling Shareholder in consultation with the BRLMs. A Bid submitted at Cut-off Price by a Retail Individual Bidder is a valid Bid at all price levels within the Price Band. Only Retail Individual Bidders are entitled to bid at the Cut-off Price for a Bid Amount not exceeding Rs.100,000. QIBs and Non-Institutional Bidders are not entitled to Bid at Cut-off Price
DEIPL	Deutsche Equities India Private Limited
Designated Date	The date on which the Escrow Collection Banks transfer the funds from the Escrow

Term	Description
	Account(s) to the Issue Account, which in no event shall be earlier than the date on which the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares and the Selling Shareholder shall give delivery instructions for transfer of Equity Shares constituting Offer for Sale to successful Bidders
Designated Stock Exchange	Bombay Stock Exchange Limited
Draft Red Herring Prospectus	The Draft Red Herring Prospectus filed with SEBI on September 14, 2007, issued in accordance with Section 60B of the Companies Act, and the SEBI Guidelines which do not contain, *inter alia,* complete particulars on the price at which the Equity Shares are offered and the size (in terms of value) of the Issue
ECS	Electronic Clearing Service
Eligible NRI	NRI from such jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue
Equity Shares	Equity shares of our Company of Rs. 10 each unless otherwise specified in the context thereof
Escrow Account	Account opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into by our Company, the Selling Shareholder, the Registrar, BRLMs and the Escrow Collection Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected to the Bidders on the terms and conditions thereof
Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account will be opened and in this case being Deutsche Bank AG, ICICI Bank Limited and Kotak Mahindra Bank Limited
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form
Floor Price	The lower end of the Price Band, above which the Issue Price will be finalised and below which no Bids will be accepted
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
ISEC	ICICI Securities Limited
Issue	Public issue of 10,900,545 Equity Shares of Rs. 10 each for cash at a price of Rs 440 per Equity Share including a share premium of Rs. 430 per Equity Share, aggregating Rs. 4,796.24 million, comprising of a Fresh Issue of 8,613,356 Equity Shares of the Company and an Offer for Sale of 2,287,189 Equity Shares by the Selling Shareholder
Issue Price	The final price at which Equity Shares will be issued and allotted in terms of the Red Herring Prospectus or the Prospectus. The Issue Price will be decided by the Company and the Selling Shareholder in consultation with the BRLMs on the Pricing Date
Margin Amount	The amount paid by the Bidder at the time of submission of his/her Bid, being 10% to 100% of the Bid Amount
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Fund Portion	5% of the QIB Portion or 327,016 Equity Shares (assuming the QIB Portion is for 60% of the Issue Size) available for allocation to Mutual Funds only, out of the QIB Portion
Non Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 100,000 (but not including NRIs other than eligible NRIs)
Non Institutional Portion	The portion of the Issue being up to 1,090,055 Equity Shares of Rs. 10 each available for allocation to Non Institutional Bidders
Non Residents/NR	Non-Resident is a Person resident outside India, as defined under FEMA and includes a Non-Resident Indian
Offer for Sale	The Offer for Sale by the Selling Shareholder of 2,287,189 Equity Shares of Rs. 10 each at the Issue Price
Pay-in Date	Bid Closing Date or the last date specified in the CAN sent to Bidders, as applicable
Pay-in-Period	(a) With respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/ Issue Opening Date; and extending until the Bid/ Issue Closing Date; and (b) With respect to Bidders whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid/ Issue Opening Date and extending until the closure of the Pay-in Date
Price Band	Price band of a minimum price (floor of the price band) of Rs. 425 and the maximum price (cap of the price band) of Rs. 450 and includes revisions thereof
Pricing Date	The date on which our Company in consultation with the BRLMs and the Selling Shareholder finalises the Issue Price
Prospectus	The Prospectus to be filed with the RoC in terms of Section 60 of the Companies Act, containing, inter alia, the Issue Price that is determined at the end of the Book Building process, the size of the Issue and certain other information
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account

Term	Description
	on the Designated Date
Qualified Institutional Buyers or QIBs	Public financial institutions as specified in Section 4A of the Companies Act, FIIs, scheduled commercial banks, mutual funds registered with SEBI, venture capital funds registered with SEBI, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million
QIB Margin Amount	An amount representing at least 10% of the Bid Amount
QIB Portion	The portion of the Issue being 6,540,327 Equity Shares of Rs. 10 each to be allotted to QIBs
Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means refunds through ECS, Direct Credit or RTGS as applicable
Registrar to the Issue	Registrar to the Issue, in this case being Karvy Computershare Private Limited having its registered office as indicated on the cover page
Retail Individual Bidder(s)	Individual Bidders (including HUFs) who have not Bid for Equity Shares for an amount more than or equal to Rs. 100,000 in any of the bidding options in the Issue (including HUF applying through their Karta and eligible NRIs)
Retail Portion	The portion of the Issue being up to 3,270,164 Equity Shares of Rs. 10 each available for allocation to Retail Bidder(s)
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid cum Application Forms or any previous Revision Form(s)
RHP or Red Herring Prospectus	The Red Herring Prospectus filed with RoC in terms of Section 60B of the Companies Act, at least 3 days before the Bid/ Issue Opening Date
RTGS	Real Time Gross Settlement
Selling Shareholder	OnMobile Systems, Inc.
Stock Exchanges	BSE and/or NSE as the context may refer to
Syndicate Agreement	Agreement to be entered into between the Syndicate, our Company and the Selling Shareholder in relation to the collection of Bids in this Issue
TRS/ Transaction Registration Slip	The slip or document issued by the Syndicate to the Bidder as proof of registration of the Bid
Underwriters	The BRLMs
Underwriting Agreement	The Agreement between the members of the Syndicate, our Company and the Selling Shareholder to be entered into on or after the Pricing Date
Venture Capital Funds/VCF	Venture capital funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended from time to time

Conventional and General Terms/ Abbreviations

Term	Description
A/c	Account
Act or Companies Act	Companies Act, 1956 and amendments thereto
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BPO	Business Process Outsourcing
BSE	Bombay Stock Exchange Limited
CAGR	Compound Annual Growth Rate
CDSL	Central Depository Services (India) Limited
Depository/Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time, in this case being NSDL and CDSL
Depositories Act	The Depositories Act, 1996 as amended from time to time
Depository Participant/DP	A depository participant as defined under the Depositories Act
DP ID	Depository Participant's Identity
DTA	Domestic Tariff Area
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary General Meeting
EPS	Earnings Per Share i.e., profit after tax for a fiscal/period divided by the weighted average number of equity shares/potential equity shares during that fiscal/period
FDI	Foreign Direct Investment

Term	Description
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder and amendments thereto
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and amendments thereto
FII(s)	Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investor) Regulations, 1995 registered with SEBI under applicable laws in India
FIPB	Foreign Investments Promotion Board
Financial Year/ fiscal/ FY	Period of twelve months ended March 31 of that particular year, except for fiscal 2003 which ended on December 31
GDP	Gross Domestic Product
GoI/Government	Government of India
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
IT	Information Technology
I.T. Act	The Income Tax Act, 1961, as amended from time to time
ITES	Information Technology Enabled Services
IPO	Initial Public Offering
MOU	Memorandum of Understanding
NA	Not Applicable
NAV	Net Asset Value being paid up equity share capital plus free reserves (excluding reserves created out of revaluation, preference share capital and share application money) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of Profit and Loss account, divided by number of issued equity shares outstanding at the end of fiscal
NR	Non-resident
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Transfer or Issue of Foreign Security by a Person resident outside India) Regulations, 2000
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number allotted under the I.T. Act
PLR	Prime Lending Rate
QIB	Qualified Institutional Buyer
RBI	The Reserve Bank of India
RoC	The Registrar of Companies, Karnataka at Bangalore
RONW	Return on Net Worth
Rs.	Indian Rupees
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI Guidelines	SEBI (Disclosure and Investor Protection) Guidelines, 2000 as amended from time to time
Sec.	Section
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
STPI	Software Technology Park of India
U.S. / U.S.A.	United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America

Term	Description
U.S. Securities Act	U.S. Securities Act of 1933, as amended

Industry Related Terms

Term	Description
3G	Third Generation Protocol
AOL	AOL Interactive Media India Pvt. Ltd.
ARPU	Average Revenue Per User
Banglalink	Sheba Telecom (Pvt) Limited
Bharti	Bharti Airtel Limited
BSNL	Bharat Sanchar Nigam Limited
BTEL	PT Bakrie Telecom, Tbk
CDMA	Code Division Multiple Access
CIO	Chief Information Officer
CMMI	Capability Maturity Model® Integration
COAI	Cellular Operators Association of India
Copyright Act	The Copyright Act, 1957
Disney	Buena Vista Internet Group
DTMF	Dual-tone multi-frequency
ESPN	ESPN Software India Private Limited
GSM	Global System for Mobile Communications
Idea	Idea Cellular Limited
IP	Intellectual Property
IS	Information Systems
ISO	International Organisation for Standardisation
IT Services	Information Technology Services
IVR	Interactive Voice Response
Maxis	Malaysian Mobile Services Sdn Bhd
MMP	Multi-modal Platform
MMS	Multimedia Messaging Service
MSN	Microsoft Network
NASSCOM	National Association of Software and Service Companies
Nokia	Nokia Pte Ltd.
Optus	SingTel Optus Pty Limited
Patents Act	The Patents Act, 1970
PCT	Patent Co-Operation Treaty
Indosat	PT Indosat Tbk
RAID	Redundant Array of Independent Disks
RBT	Ring Back Tone
Reliance	Reliance Communications Limited
R&D	Research and Development
SMS	Short Messaging Service
Star	Star India Pvt. Ltd.
TRAI	Telecom Regulatory Authority of India
TTSL	Tata Teleservices Limited
USSD	Unstructured Supplementary Service Data
Vodafone Essar	Vodafone Essar Limited
VAS	Value-added Services
WAP	Wireless Application Protocol

NOTICE TO INVESTORS

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Accordingly, the Equity Shares are being offered and sold (a) in the United States or to, or for the account or benefit of "U.S. persons" (as defined in Regulation S under the U.S. Securities Act) only to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act; such term does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in the Prospectus as "QIBs") in transactions exempt from the registration requirements of the U.S. Securities Act and (b) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

This Prospectus has been prepared on the basis that all offers of Equity Shares will be made pursuant to an exemption under the Prospectus Directive, as implemented in Member States of the European Economic Area ("**EEA**"), from the requirement to produce a prospectus for offers of Equity Shares. The expression "Prospectus Directive" means Directive 2003/71/EC of the European Parliament and Council and includes any relevant implementing measure in each Relevant Member State (as defined below). Accordingly, any person making or intending to make an offer within the EEA of Equity Shares which are the subject of the placement contemplated in this Prospectus should only do so in circumstances in which no obligation arises for the Company or any of the Underwriters to produce a prospectus for such offer. None of the Company, the Selling Shareholder and the Underwriters have authorised, nor do they authorise, the making of any offer of Equity Shares through any financial intermediary, other than the offers made by the Underwriters which constitute the final placement of Equity Shares contemplated in this Prospectus.

CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

All references to “Rupees” or “Rs.” are to Indian Rupees, the official currency of the Republic of India. All references to “US$” or “U.S. Dollars” are to United States Dollars, the official currency of the United States of America. All references to "euro", "EUR" and "€" are to Euros, the official currency of the participating member states in the third stage of the Economic and Monetary Union of the treaty establishing the European Community. All references to “Sing$” and “S$” are to Singapore Dollar, the official currency of Singapore. All references to AUD are to Australian Dollar, the official currency of Australia. All references to “IDR” are to Indonesian Rupiah, the official currency of Indonesia.

Unless stated otherwise, the financial data in this Prospectus is derived from our restated financial statements prepared in accordance with Indian GAAP and the SEBI Guidelines, which are included in this Prospectus. Our fiscal commences on April 1 and ends on March 31 of the next year. So all references to a particular fiscal are to the twelve-month period ended on March 31 of that year and all references to September 30, 2007 are to the six month period from April 1, 2007 to September 30, 2007. Further, the financial year for Vox mobili commences on January 1 and ends on December 31 of the next year. So all references to a particular fiscal in relation to Vox mobili are to the twelve-month period ended on December 31 of that year.

There are significant differences between Indian GAAP, IFRS and U.S. GAAP. Although we have presented a summary of significant differences between Indian GAAP, IFRS, and the US GAAP, no attempt has been made to identify all disclosure, presentation or classification differences that would affect the manner in which transactions and events are presented in the financial statements and the notes thereto. We have not attempted to explain those differences or quantify their impact on the financial data included herein and we urge you to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited.

In this Prospectus, any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off.

Market and industry data used in this Prospectus has generally been obtained or derived from industry publications and sources. These publications typically state that the information contained therein has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made based on such information. Although we believe that industry data used in this Prospectus is reliable, it has not been verified. Similarly, we believe that the internal company reports are reliable; however, they have not been verified by any independent sources.

The extent to which the market and industry data used in this Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard valuation methodologies or accounting policies in the emerging information technology industry in India and methodologies and assumptions may vary widely among different industry sources.

The following table sets forth, for each period indicated, information concerning the number of Rupees for which one U.S. Dollar could be exchanged at the noon buying rate in the City of New York on the last business day of the applicable period for cable transfers in Rupees as certified for customs purposes by the Federal Reserve Bank of New York. The row titled “Average” in the table below is the average of the daily noon buying rate for each day in the period. Similarly, the rows titled “low” and “high” give the lowest and highest noon buying rates during the period.

	Fiscal 2007	Fiscal 2006	Fiscal 2005
Period End	43.10	44.48	43.62
Average	45.12	44.17	44.86
Low	42.78	43.05	43.27
High	46.83	46.26	46.45

On January 31, 2008, the noon buying rate was Rs. 39.31 per U.S. Dollar.

FORWARD-LOOKING STATEMENTS

This Prospectus contains certain "forward-looking statements". These forward looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "shall", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant statement.

Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- The loss of any one of our major customers, a decrease in the volume of work from these customers or a decrease in the price at which we offer our services to them;
- Failure to meet the level of performance on our carrier application services in accordance with our contracts with customers;
- Ability to renew or extend our contracts with our existing customers on terms acceptable to us or at all;
- Ability to adequately and quickly expand capacity and upgrade our systems to meet increased demand;
- Failure to develop and introduce new solutions that achieve market acceptance;
- Carrier network congestion or failures could reduce our sales, increase costs or result in a loss of revenue;
- Consolidation among, or change of ownership of, our carrier customers;
- Acquisition of other companies, businesses or technologies;
- Fluctuations in currency exchange rates;
- Increased competition;
- Our inability to manage our growth;
- Our ability to control costs or retain key employees;
- As we expand outside of our existing markets, we may face added business, political, regulatory; operational, financial and economic risks;
- Revocation or expiry of tax holidays, exemptions and tax deferral schemes;
- Changes in the foreign exchange control regulations in India;
- The performance of the financial markets in India and abroad;
- Changes in laws and regulations;
- Changes in political conditions in India and abroad; and
- Changes in technology.

For further discussion of factors that could cause our actual results to differ, please refer to the sections titled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages xi and 245. Neither our Company nor the Selling Shareholder nor any of the Underwriters nor any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company, the Selling Shareholder and the BRLMs will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

SECTION II- RISK FACTORS

The risks and uncertainties described below together with the other information contained in this Prospectus should be carefully considered before making an investment decision in our Equity Shares. The risks described below are not the only ones relevant to the country, the industry in which our Company operates, our Company or the Equity Shares. Additional risks, not presently known to our Company or that we currently deem immaterial may also impair our Company's business operations. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with the sections titled "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 63 and 245, respectively, as well as the other financial and statistical information contained in this Prospectus. If any of the risks described below actually occur, our business, prospects, financial condition and results of operations could be seriously harmed, the trading price of our Equity Shares could decline, and prospective investors may lose all or part of their investment.

Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries. Prior to making an investment decision, prospective investors and purchasers should carefully consider all of the information contained in this Prospectus (including the consolidated financial statements on page 123.

This Prospectus also contains forward-looking statements that involve risk and uncertainties. Our Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Prospectus. See "Forward-Looking Statements" on page x.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another.

INTERNAL RISK FACTORS

Risks Relating to Our Business

1. Our limited operating history may make it difficult for prospective investors to evaluate our business.

We were incorporated in September 2000 and launched our first product in 2001. As a result, there is limited historical financial and operating information available to help prospective investors evaluate our past performance or to make a decision about an investment in our Equity Shares. In addition, because of our limited operating history, our historical financial results may not accurately predict our future performance, particularly as there is usually a lag period between the launch of a new product and revenue realisation. Because of our narrow business focus on the telecommunications industry, our financial results are more sensitive to changes and downturns within our industry than companies with more diversified lines of business. For example, as a result of industry factors or factors specific to us, we may have to alter our anticipated methods of conducting our business, such as the nature, amount and types of risks we assume. The telecommunications value added services market is nascent and is rapidly evolving. As a result, any evaluation of our business and our prospects must be considered in light of our industry, our limited operating history and the risks and uncertainties often encountered by companies at our stage of development.

2. We offer white label applications and services to our customers who then market our applications and services to their end-user subscribers, but none of our customer contracts obligate our customers to market or promote our services to their end-user subscribers.

Most of our customer contracts are on a revenue sharing basis and most of our contracts provide that we earn and receive revenue only if our customers' end-user subscribers use or subscribe to the services offered by them. As a result, our revenue is subject to uncertainties that are beyond our control, such as market acceptance of our application services by our customers' end-user subscribers and the subscriber churn rate and are dependent upon the pricing of the services, product placement and marketing and promotion activities conducted by our customers either jointly with us or solely. Moreover, as we offer white label applications and services to our customers, none

of our contracts obligate our customers to market or distribute any of our applications or services to their end-user subscribers. Without the appropriate marketing, promotion and pricing of the subscriber services by our customers, the subscribers may not be aware of, or may cease to use, or decrease usage of, our applications and services. For example, the current practice among our customers generally is to place the most popular wireless applications at the top of the menu on the first page available on their mobile phone portals or in the most prominent positions on their websites. Services at the top of the menu and in more prominent positions are more accessible to subscribers and, in our experience, are more frequently accessed than those services in less prominent positions. Generally in the past, we have enjoyed good positioning on our customers' menus and websites due to our continued focus on the development of innovative products, a creative user interface and a good understanding of consumer needs. However, if our customers change their current practices so that our applications are displayed less prominently or are less accessible to the end-user subscribers, our services could become more difficult for users to access and could, therefore, become less popular. This could materially and adversely affect the revenue from our application services, and thus our overall financial condition.

In addition, as most of our customer contracts are non-exclusive, our customers may purchase similar application services from third parties and cease to use our applications and services in the future. Even if our customers retained our services, our customer contracts do not prevent our customers from significantly reducing the level of marketing or promotion of our applications or from electing to market or promote similar applications purchased from and provided by our competitors. Any of the foregoing may result in the loss of future revenue from our carrier application services.

3. A few major carrier customers account for more than 80% of our revenue. For the six months ended September 30, 2007, our five largest customers, constituting less than 10% of our total customers accounted for approximately 80% of our net revenue. The loss of any one of our major customers, a decrease in the volume of work from these customers or a decrease in the price at which we offer our services to them may adversely impact our revenue and profitability.

We have derived and believe that we will continue to derive in the near term a significant portion of our revenue from a few major carrier customers, as these carrier customers continue to dominate the market share of the Indian telecommunications industry. For fiscal 2007, 2006 and 2005, our five largest customers (constituting less than 10% of our total customers for the said period) accounted for approximately 81%, 95% and 100% of our net revenue, respectively, and 80% of our net revenue for the six months ended September 30, 2007. Although our dependence on our top five customers has reduced in the last three years, we continue to depend on them for a significant portion of our revenue in the future. The revenue from these customers may vary from year to year, particularly since we are not the exclusive service providers for our customers. Any loss of our major carrier customers or any significant decreases in spending by some or all of the end-user subscribers of our top five customers on our services may reduce the demand for our services and may adversely affect our revenue, profitability and results of operations. In addition, our revenue may be affected by competition and decreasing rates in the telecommunciations industry and a number of factors, other than our performance, that could cause the loss of a customer and that may not be predictable such as financial difficulties, bankruptcy or insolvency affecting our customers. Any of the foregoing events or any delay or default in payment by our customers for services rendered may adversely impact our business, financial condition and results of operations.

4. Increasingly, based on internal estimates we believe a substantial number of the new subscribers of our carrier customers are from non-metro areas and they tend to have lower levels of average revenue per user.

Our carrier customers' average revenue per user is influenced by the demographic make-up of their subscriber base. With the expanding penetration of wireless telecommunications in India, increasingly, based on internal estimates, a substantial number of the new subscribers of our carrier customers are from non-metro areas. These subscribers generally spend less on telecommunications solutions and applications than subscribers from metro areas, which results in lower average revenues for our carrier customers. As most of our contracts with our carrier customers are on a revenue sharing basis, this may in turn have a material adverse affect on our results of operations.

5. We and OMSI have received emails from Infosys stating its opposition to the proposed Issue by the Company and reserving its right to oppose any action taken by OMSI and/or us which it deems to be prejudicial to its interest as a shareholder of OMSI.

On August 24, 2007, our Board of Directors and OMSI's board of directors received email from Infosys stating its opposition to the proposed Issue and reserving its right in law and equity to oppose any action by OMSI and/or us

which it determines, in its sole and absolute discretion, to be prejudicial to its interests as a shareholder of OMSI. On September 13, 2007 and September 27, 2007, the board of directors of OMSI sent letters to Infosys informing Infosys that the directors of OMSI are working together with us and other professional, legal, tax, accounting and investment advisors and experts both in the United States and India, to consider various mechanisms to provide liquidity to OMSI's shareholders and to allow OMSI's shareholders to capitalize on the value of OMSI's shareholding in us. However, after careful consideration, OMSI's board of directors has determined that they should not proceed with the restructuring originally proposed based on the advice it had received and what it has determined to be in the best interests of OMSI and its shareholders. Instead, OMSI's board of directors has elected to proceed with the proposed Issue and to reconsider the feasibility of the restructuring at the earliest possible date following the proposed Issue. In addition, the board of directors of OMSI stated in their letter to Infosys that the fiduciary responsibility of the board of directors of OMSI is to exercise its business judgment to determine what is in the best interest of OMSI and its shareholders as a whole. In order to resolve the issue, OMSI also offered to buy Infosys' shares in OMSI at the fair market value. In addition, the board of directors of OMSI informed Infosys that it is considering appointing a merchant banker to resolve the liquidity issues raised by Infosys in a timely manner and requested that Infosys withdraws its email of August 24, 2007 and the objections stated therein so that the proposed Issue can proceed in a manner beneficial to all the shareholders of OMSI. Infosys vide email dated September 14, 2007 and letter dated October 1, 2007 to the board of directors of OMSI stated to the effect that by dropping the restructuring plan without consulting Infosys, OMSI have not acted in the interest of the minority shareholders and that Infosys is left with no option but to refer the matter to the appropriate authorities for protecting its interests and getting appropriate relief. There can be no assurance that Infosys will not take any action against OMSI and/or us to oppose the proposed Issue, which could delay the proposed Issue or otherwise have a material adverse effect on the proposed Issue. For more information, see "Outstanding Litigation and Material Developments - Notice received" on page 267.

6. More than 90% of our revenue is subject to the end-user pricing decisions of our customers and reconciliation of billing information between our records and those of our customers.

We earn a substantial portion of our revenue through revenue sharing agreements with our customers. Under such revenue sharing agreements, we earn as revenue a percentage of the retail price that our customers charge to their end-user subscribers for the use of our applications or content. We earned in excess of 90% of our net revenue from such revenue sharing agreements in fiscal 2007 and 2006 and for the six months ended September 30, 2007. As we offer white label applications and services to our customers, we have no control over their pricing decisions and most of our customer contracts do not provide for guaranteed minimum revenue payments even though some of the contracts have a minimum price clause. As a result, our revenue derived from our revenue sharing agreements may be substantially reduced depending on the pricing decisions and pressures of our customers, which may materially and adversely affect our results of operations.

Further, according to the revenue sharing agreements with our customers, the calculation of net revenue from the usage of our services by their respective subscribers is based on records maintained by our customers or on records maintained by us that must be reconciled with those prepared by our customers. The billing methodologies and management information system of our customers are critical in preparation of accurate usage reports. Our revenue realisations with respect to such variations may become subject to dispute resolution and may adversely affect our business, financial condition and results of operations.

7. Any inability to manage our growth could disrupt our business and reduce our profitability.

We have experienced significant growth in revenue in recent years. Our consolidated net revenue has grown at a compound annual growth rate of 99.3% from Rs. 172.6 million in fiscal 2004 to Rs. 1,366.8 million in fiscal 2007. The total number of permanent and contracted employees has grown from 58 as of March 31, 2004 to 851 as of January 25, 2008. While these growth rates are not indicative of our future growth, we expect this growth to place significant demands on both our management and our resources. This will require us to continuously evolve and improve our operational, financial and internal controls across the organisation.

In particular, continued expansion increases the challenges involved in:

- recruiting, training and retaining sufficient skilled technical, sales and management personnel;
- adhering to our high quality and process execution standards;
- maintaining high levels of client satisfaction;

- preserving our culture, values and entrepreneurial environment; and

- developing and improving our internal administrative infrastructure, particularly our financial, operational, communications and other internal systems.

Any inability to manage growth may have an adverse effect on our business, financial condition and results of operations and could result in decline of the price of our Equity Shares.

8. Failure to meet the level of performance on our carrier application services in accordance with our contracts with customers could result in a loss of our revenue or adversely affect the customer relationships or the business of our customers, all of which could be detrimental to our business and reputation generally.

Carrier application services such as ours are complex and utilise sophisticated software systems which may result in operational errors or performance problems. In connection with the provision of our carrier application services, we enter into contracts with some of our customers which contain provisions requiring us to maintain the services at or above certain minimum performance standards. Under these contracts, if we fail to meet the specified standards, we may be subject to liquidated damages or penalties, and in certain cases, termination of the carrier customer contracts by our carrier customers. In addition, any defects in our intellectual property which we licence to our customers could result in a claim against us for substantial damages, regardless of our responsibility for such a failure or defect. Although we attempt to limit our contractual liability for all damages, including consequential damages, in rendering our services, we cannot assure prospective investors that in case any claims for damages are made by our customers, the limitations on liability we provide for in our service contracts will be enforceable, or that they will otherwise be sufficient to protect us from liability for damages.

Further, any failure of, or technical problems with, our servers, systems or platforms could disrupt the ability of the subscribers of our carrier customers to use our applications. In the past, we have experienced a handful of failures with our servers, systems and/or platforms, which were generally related to heavy surges in volume associated with holiday entertainment purchase activities or activities relating to promotions being made by our customers. If failures occur on our customer's multiple networks or software systems, it may be difficult for us to identify the source of the problem and to correct it on a timely basis, in particular as our customers generally use our services together with their own services and services from other vendors. In addition, our systems or platforms are, in most cases, integrated into the voice and data networks of our customers for which we operate and manage applications. Failure of our systems or platforms could disrupt the delivery of voice and data service by our customers. Any of the foregoing problems could result in a loss of our revenue or adversely affect the customer relationships and business of our customers, all of which could be detrimental to our business and reputation generally.

9. The terms of our customer contracts are subject to renewal. If we are unable to renew or extend our contracts with our existing customers on terms acceptable to us or at all, our future financial condition and results of operations may be materially affected.

Our major customers may have significant bargaining power over us. While we have developed strong and value-based business relationships with these customers, most of our customer contracts are on a non-exclusive basis and have limited terms varying from two to five years. As these contracts reach the end of their stated terms, our customers can seek to renegotiate pricing or other terms with us or not renew the contracts, although some of our contracts with customers in the telecommunications sector have auto-renewal clauses. In addition, all of our contracts allow our customers to terminate the contract without cause after a requisite notice period, typically ranging from 30 to 90 days and without termination-related penalties. There is no assurance that we will be able to maintain our existing business relationships with our customers. If we are unable to renew or extend our contracts with existing customers or if our customers seek to renegotiate the contracts on terms unfavourable to us as they expire, it may be difficult to find a suitable replacement carrier customer with the requisite licences and permits, infrastructure and customer base. This may have a material adverse affect on our growth, financial condition and results of operation.

10. Failure to develop and introduce new solutions that achieve market acceptance could result in a loss of market opportunities.

Our business depends on providing innovative solutions that are attractive to subscribers which are subject to unpredictable and volatile factors beyond our control, including subscriber preferences and competing solutions. In

addition, due to the competitive nature of the wireless telecommunications market in which we operate, and because time-to-market and service features are key differentiators of mobile value added services offerings between carriers, solutions and applications in our industry have short lifespans. We need to continuously invest in research and development to develop new and differentiated products and services for each of our customers. This affects our ability to fully monetise the revenue potential of our new products and technology. Further, some or all of such products may not provide adequate returns commensurate with our investments. Our solutions could also be rapidly rendered obsolete by the introduction of newer technologies based on more advanced mobile networks using broader bandwidths. Unexpected technical, operational, deployment, distribution or other problems could delay or prevent the timely introduction of new solutions, which could result in a loss of market opportunities. Our growth could also suffer if our solutions are not responsive to the needs of wireless carriers, the technological advancements of mobile networks or the preferences of the subscribers.

11. Our carrier customers could develop some or all of our carrier application services on their own or otherwise bring them in-house, which could result in the loss of revenue.

We derived over 90% of our net revenue from our carrier application services in fiscal 2007 and 2006 and the six months ended September 30, 2007. While, to date, most of our carrier customers do not offer such application services on their own, if our carrier customers begin developing these application services or otherwise bring them in-house, we could be pressured to lower our prices or increase the amount of services we provide in order to maintain our business with existing carrier customers. This could result in the loss of future revenue from our carrier application services or increase our costs of providing such services and may have a material adverse effect on our future business, financial condition and results of operations.

12. We currently depend on music related services, including our ringback tones, ringtone downloads and music messaging applications, for approximately 67% of our revenue.

We earned approximately 67% of our net revenue from our ringback tones and music related services in fiscal 2007 and 2006 and for the six months ended September 30, 2007. We expect to continue to derive a significant portion of our revenue from these application services in the next few years. There could be a decline in the demand for our services due to various factors, including increase in competition or technological advancements rendering our technology obsolete. A decrease in the popularity of our music related services among mobile phone users, or a failure by us to maintain, improve, update or enhance such services in a timely manner, enter into new markets, or successfully diversify our products and services could materially and adversely affect our business, financial condition and results of operations.

13. Usage of our applications and services may be difficult to predict and we may not be able to adequately and quickly expand capacity and upgrade our systems to meet increased demand.

It is difficult to predict subscriber adoption of new applications or other services, particularly in new markets. As a result, while we may launch a new product with a planned or expected capacity, such capacity may not be sufficient to meet demand if it exceeds our expectations. In such situations, we may not be able to expand and upgrade our systems and application platforms quickly enough to accommodate increased usage of our services. If we do not appropriately expand and upgrade our systems and application platforms, we may lose market opportunities or damage our reputation with our carrier customers, which may materially and adversely affect our business, financial condition and results of operations.

14. Our billing and management information systems are critical to our ability to bill our customers and realise revenue from our operations.

Sophisticated billing and customer management information systems are critical to protect our ability to increase revenue streams, avoid revenue loss and bill our customers accurately and in a timely manner. We expect new technologies and applications to create increasing demands on our billing and customer management systems. Problems such as reconciliation of payments, revenue recognition and delayed payments will occur in the complexities involved in the process of billing end-user subscribers and tracking payments by these end-user subscribers to our carrier customers. We need to expand and adapt our billing and credit control systems as we introduce new services and as our business expands. The development of new businesses may impose a greater burden on our systems and may strain our administrative, operational and financial resources. If adequate billing, credit control and customer relations systems are unavailable or if upgrades or new systems are delayed or not introduced or integrated in a timely manner, this could materially adversely affect our business and results of operations.

15. We may be classified as a passive foreign investment company, which could result in adverse U.S. federal income tax consequences to U.S. Holders.

The application of the "passive foreign investment company," or PFIC, rules to the Company in its current taxable year ending on March 31, 2008 is uncertain. A non-U.S. corporation will be considered a PFIC for any taxable year if either (1) under the PFIC income test, at least 75% of its gross income is passive income or (2) under the PFIC asset test, at least 50% of its assets (determined on the basis of a quarterly average) are assets that produce or are held for the production of passive income for such taxable year. However, the application of the PFIC asset test to a corporation that is a "controlled foreign corporation," or CFC (as defined under U.S. federal income tax law), for its taxable year in which it becomes a publicly traded corporation after its first quarter is not clear. Because we currently are a CFC, the application of the PFIC asset test to us in our current taxable year is uncertain.

Under the least favorable interpretation of the PFIC asset test, it is possible that we will be a PFIC in respect of our current taxable year, although we do not expect to be a PFIC for our current taxable year if we make a certain election for U.S. federal income tax purposes in connection with our acquisition of Vox mobili. Under more favorable interpretations of the PFIC asset test, we believe that we would not be a PFIC for our current taxable year. It may be reasonable for U.S. Holders (as defined under "Taxation—U.S. Federal Income Taxation") to apply a more favorable interpretation of this test for purposes of determining and reporting the U.S. federal income tax consequences of their investment in the Equity Shares, although such holders should consult their tax advisors regarding the reasonableness of such position. U.S. Holders also should note that the U.S. Internal Revenue Service, or IRS, could seek to apply the least favorable interpretation.

If we are treated as a PFIC for any taxable year during which a U.S. Holder owns an Equity Share, adverse U.S. federal income tax consequences could apply to that holder. We will determine our PFIC status for our current taxable year promptly after the end of our current taxable year and, if we determine that we are (or are likely to be) a PFIC, we will use reasonable efforts to provide you information that will enable you to make a certain election that may mitigate any adverse U.S. federal income tax consequences to you of our being a PFIC. See "Taxation — U.S. Federal Income Taxation — Passive Foreign Investment Company" at page 56.

16. Consolidation among, or change of ownership of, our carrier customers may result in the loss of carrier customers or reduce our potential customer base, which would negatively impact our financial performance.

Consolidation among carriers may reduce our potential customer base or may negatively impact our ability to expand our customer base or may result in the loss of our current carrier customers. In addition, as fewer carrier customers gain control of the subscriber market, pricing pressure is likely to increase and consequently, a change of ownership of our carrier customers could also result in the loss of our current customers if the new owners select another application service provider to provide the telecommunication solutions. All of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

17. Delay or defaults in payments by our carrier customers may adversely affect our revenue realisation.

We derive a significant portion of our revenue from our contracts with carrier customers which provide for payments for our services on a revenue sharing basis. Typically, delays in payment by our customers will arise primarily due to delays in reconciling our billing and usage records with the records prepared by our customers. Our revenue is concentrated in five customers and any delay or default in payment by them, decrease in usage of the services provided by us or loss of end-user subscribers may have a material adverse effect on our revenue, business, financial condition and results of operations.

18. We currently source and aggregate content from content providers such as music label companies, royalties agencies, sports licencing authorities and other content licencors and licence copyrighted content or works pursuant to licencing agreements with them. If we are unable to secure a licence on terms favourable to us, we may be prevented from providing these services or will incur significant costs to seek alternative content, each of which would result in loss of revenue or business opportunities or reduced margins.

We have entered into licencing agreements with several content providers to licence copyrighted content or works for use as part of the services we provide to our customers and their subscribers. Most of the licencing agreements we have entered into have, among others, confidentiality obligations. Some of these agreements also restrict us from entering into similar agreements with other third parties during the term of such agreements. Any failure on our part to comply with such obligations could cause us to be in breach of our contract and could result in a claim

against us for substantial damages or even termination of the contracts by the content provider. Further, these licencing agreements are mostly for a term of one year. If we are unable to renew these licences on terms favourable to us, or at all, upon their expiration we may be prevented from providing content sourced from these content providers and will have to source alternative content which may result in loss of revenue or business opportunities or reduced margins that would materially harm our business, financial condition and results of operations.

19. Third parties may successfully sue us for intellectual property infringement which could disrupt our business or require us to pay significant damage awards which we may not succeed in recovering from our content providers.

Third parties may sue us for intellectual property infringement or initiate proceedings to invalidate our intellectual property rights, either of which, if successful, could disrupt the conduct of our business or cause us to pay significant damage awards which we may not succeed in recovering from our content providers. In addition, in the event of a successful claim against us, we may be subject to injunctions preventing us from using our intellectual property, incur significant licencing fees and/or be forced to develop alternative technologies. Our failure or inability to develop non-infringing technology or applications or to licence the infringed or similar intellectual property rights, technology or applications on a timely basis could force us to withdraw services from the market or prevent us from introducing new services on a timely basis, or at all. In addition, even if we are able to licence the infringed or similar intellectual property rights, technology or applications, licence fees could be substantial and the terms of such licences could be burdensome. Any of the foregoing may result in increased costs and loss of revenue which may have a material adverse effect on our business, financial condition and results of operations.

We may also incur substantial expenses in defending against third-party infringement claims, regardless of their merit. Such claims may arise frequently, especially with respect to our music-on-demand, music service platform and music licence bank businesses, given the evolving nature of and resulting uncertainty in laws and regulations governing the use and distribution of music and other content in digital format. We have a professional liability technology insurance policy which covers claims arising out of intellectual property infringements. However, we cannot assure prospective investors that the same would be adequate to cover one or more large claims. For more information, see "Our Business – Insurance" on page 76. In the event that we are unsuccessful in defending against infringement claims, our business may be disrupted and we may incur substantial legal costs and infringement liability damages, which in turn could result in a loss of revenue and could have a material adverse effect on our business, financial condition and results of operations.

20. If we do not adequately protect our intellectual property rights, we may have to resort to litigation to enforce our intellectual property rights, which could result in substantial costs and diversion of management attention and resources.

We rely on a combination of patent, copyright, trademark and trade secret laws and restrictions on disclosure, such as confidentiality provisions and non-disclosure agreements, to protect our intellectual property rights. As of January 31, 2008, we have two registered trademarks. Our trademark and logo "OnMobile" is registered with the Trademarks Registry in Mumbai, India. In addition, our trademark "OnMobile – True Mobility" is registered with the United States Patent and Trademark Office. We have currently applied to register four other trademarks with the Trademarks Registry in India. We have also filed 17 patent applications with the Indian Patents Office. For more information, see "Our Business – Intellectual Property" on page 74. Despite our efforts to protect our intellectual property rights, unauthorised parties may attempt to copy or otherwise obtain and use our technology and applications and the applicable laws may not adequately protect our proprietary rights. Monitoring unauthorised use of our applications is difficult and costly, and we cannot be certain that the steps we have taken will prevent piracy and other unauthorised distribution and use of our technology and applications. From time to time, we may have to resort to litigation to enforce our intellectual property rights, which could result in substantial costs and diversion of management attention and resources.

Historically, we have relied on trade secrets, know-how and other proprietary information as well as requiring our principal employees, subcontractors, vendors and suppliers to sign confidentiality agreements. However, these confidentiality agreements may be breached, and we may not have adequate remedies for any breach. Third parties may otherwise gain access to our proprietary information or may independently develop substantially equivalent proprietary information.

21. Security vulnerabilities, illegal downloads, side loading, or transfers of audio and video files directly onto handsets may harm our music-on-demand business and the revenue we earn from it.

Our music solutions business depends on our ability to receive paid subscription fees from downloads or streaming of music content, including full-track music titles. However, computer and internet technologies that enable or facilitate illegal downloads or transfers of music files, such as MP3 files, to personal computers and mobile handsets pose a significant threat to wireless carriers, service providers and content providers alike. While industry efforts are being made to restrict such functions through development of terminals, encoding technologies and customer interface, no assurance can be given that illegal downloads or transfers will be eliminated. There are individuals and groups who develop and deploy software programmes that compromise security and encoding technology. For example, hackers may find or develop and widely circulate software that enables unauthorised decoding of digital rights management technology to download music or other content directly onto mobile phones without using our music-on-demand or other content delivery applications. Prevalence of security vulnerabilities, illegal downloads or transfers of music files or lack of market acceptance of paid subscription for music content could adversely affect our music solutions business and the revenue we earn from it.

22. If we are unable to successfully protect our information technology infrastructure from security risk, our business may suffer.

Our servers, like those of all businesses, are vulnerable to computer viruses, break-ins, software theft or destruction and similar disruptions from unauthorised tampering with our computer systems. We have data back-up systems for all of our operations and checks and systems for ensuring network security against virus or other malignant attacks. Nevertheless, any disruptions could have an adverse affect on our business and results of operations.

23. Our senior management team and other key team members are critical to our continued success and the loss of such personnel or an inability to attract and retain talented personnel could harm our business.

We are dependent on the continued service and performance of our senior management team and other key team members to continue our growth. Our growth strategy will place significant demands on our management and other resources because it requires us to continue to improve operational, financial and other internal controls, both in India and overseas. These key personnel possess technical and business capabilities that are difficult to replace. We do not maintain key man life insurance for any of our senior management or other key team members. The loss in the services of the members of our senior management or other key team members, particularly to competitors, or our failure to otherwise retain the necessary management and other resources to maintain and grow our business, may have a material adverse effect on our results of operations, financial condition and prospects.

Our future success and our ability to maintain our competitive position and implement our business strategy are dependent to a large degree on our ability to identify, attract, train and retain technical service operation and application development engineers and personnel with skills that enable us to keep pace with growing demands and evolving industry standards and on the continued service and performance of our senior management team and other key team members in our business units.

Qualified individuals are in high demand and competition for qualified engineers and personnel in our industry is intense, and we may incur significant costs to retain or attract them. The average experience of our senior management and other key team members as of January 31, 2008 is 15 years. We may not be able to retain our existing engineers or personnel or attract and retain new engineers and personnel in the future. Many well-qualified candidates may be subject to contractual non-compete clauses which may restrict our ability to employ them.

24. The acquisition of other companies, businesses or technologies could result in operating difficulties, dilution and other harmful consequences.

As part of our growth strategy, we intend to pursue acquisitions to expand our business. There can be no assurance that we will be able to identify suitable acquisition, strategic investment or joint venture opportunities at acceptable cost and on commercially reasonable terms, obtain the financing necessary to complete and support such acquisitions or investments, integrate such businesses or investments or that any business acquired or investment made will be profitable. In December 2006, we acquired ITfinity and we recently acquired Vox mobili S.A. Both acquisitions may result in integration issues and employee retention problems. We may not be able to realise the benefits we currently anticipate from these acquisitions.

If we attempt to acquire non-Indian companies, we may not be able to satisfy certain Indian regulatory requirements for such acquisitions and may need prior approval from the Reserve Bank of India ("**RBI**") which we may not obtain. In addition, acquisitions and investments involve a number of risks, including possible adverse effects on our operating results, diversion of management's attention, failure to retain key personnel, risks associated with unanticipated events or liabilities and difficulties in the assimilation of the operations, technologies, systems, services and products of the acquired businesses or investments. Foreign acquisitions involve risks related to integration of operations across different cultures and languages, currency risks and the particular economic, political and regulatory risks associated with specific countries. Any failure to achieve successful integration of such acquisitions or investments could have a material adverse effect on our business, results of operations or financial condition. In addition, the anticipated benefits of our future acquisitions may not materialise. Future acquisitions could result in potentially dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities or amortisation expenses, or write-offs of goodwill, any of which could harm our financial condition and may have an adverse impact on the price of our Equity Shares.

25. The markets in which we operate are highly competitive and some of our competitors have greater resources than we do.

The markets in which we operate are highly competitive. Global competition is expected to intensify in the telecommunications value added services. Steps have been taken by the Government of India to make India a global information technology "superpower" and a front-runner in the age of the "Information Revolution." Such steps will likely make the telecommunications infrastructure services industry in India more competitive. We expect competition to intensify further, as new entrants emerge in the industry due to the opportunities available and as existing competitors seek to expand their services. Consolidation among our competitors may also leave us at a competitive disadvantage. In addition, as we expand into international markets, we will increasingly compete with both local and global providers of telecommunications value added services.

Competitors in the future may include other content aggregators and wireless software companies from India and overseas. Some or all of our competitors may have advantages over us, which include substantially greater financial resources, stronger brand recognition, the capacity to leverage their marketing expenditures across a broader portfolio of wireless and non-wireless products and more extensive relationships with customers, content owners and broader geographic presence.

Increased competition may result in pricing pressure and force us to lower the selling price of our services or cause a loss of business. In addition, our competitors may offer new or different services in the future which are more popular than our current services. If we are not as successful as our competitors in our target markets, our sales could decline, our margins could be negatively impacted and we could lose market share, any of which could materially harm our business.

26. Carrier network congestion or failures could reduce our sales, increase costs or result in a loss of revenue.

We rely on our carrier customers' networks to deliver our applications to their end-user subscribers. Congestion on, failures of, or technical problems with, our carrier customers' delivery systems or communications networks could result in the inability of the subscribers to use our applications. If any of these systems fail, including as a result of an interruption in the supply of power, an earthquake, fire, flood or other natural disaster, or an act of war or terrorism, our carrier customers' subscribers may be unable to access our applications. Any failure of, or technical problem with, our carrier customers' networks could result in a loss of revenue and have a material adverse effect on our business, financial condition and results of operations.

27. As we expand outside of our existing markets, we may face added business, political, regulatory, operational, financial and economic risks, any of which could increase our costs and hinder our growth.

An important element of our business strategy is the expansion of our international sales globally by targeting markets in which we do not currently provide our services. However, we have limited experience in global expansion, and thus we face considerable challenges in executing our strategy. These risks include:

- difficulties in obtaining market acceptance of our services in other global markets;

- our lack of local presence and familiarity with business practices and conventions in certain markets;

- difficulties and additional time and expenses in customising and localising our applications and systems for new markets;

- shortages of personnel with both local language skill and experience with our services and applications;

- legal uncertainties or unanticipated changes in regulatory requirements, liability, export and import restrictions, tariffs and other trade barriers; and

- uncertainties of laws and enforcement relating to the protection of intellectual property.

In addition, we are subject to risks generally applicable to international operations such as:

- differences in network and system requirements that may require additional time and resources to ensure compatibility between our applications and services and the carrier networks;

- burdens or cost of complying with a wide variety of foreign laws and regulations, including unexpected changes in regulatory requirements;

- foreign exchange controls that might prevent us from repatriating income earned in countries outside India; and

- longer payment cycles and greater difficulty collecting accounts receivable in developing countries.

Any of the foregoing risks could prevent us from introducing services globally on a timely basis or at all and may harm our international expansion efforts and materially and adversely affect our business, operating results and financial condition. In addition, as we expand globally, this will increase our costs of operations which may have a material adverse effect on our operational margins.

28. We face risks associated with currency exchange rate fluctuations.

We have adopted the Indian Rupee as our reporting currency but we currently transact our business primarily in Indian Rupees and, to a lesser extent, in Singapore dollars, U.S. dollars, Euros, Indonesian Rupiah and Australian dollars. In fiscal 2007 and 2006 and in the six months ended September 30, 2007, we derived approximately 5.1%, 0.2% and 9.1% of our net revenue from our overseas business, respectively. To the extent these currencies depreciate against the Indian Rupee, the revenue that we report in Indian Rupees will be negatively affected. Conversely, an appreciation of these currencies against the Indian Rupee would increase our revenue reported in the Indian Rupee and would also increase our expenses incurred in those currencies.

In addition, conducting business in currencies other than the Indian Rupee subjects us to fluctuations in currency exchange rates that could have a negative impact on our reported operating results. Fluctuations in the value of the Indian Rupee relative to other currencies impact our revenue, cost of sales and services and operating margins and result in foreign currency translation gains and losses. While we have not engaged in exchange rate hedging activities in the past due to the size of our operations, we may implement hedging strategies to mitigate these risks in the future. However, these hedging strategies may not eliminate our exposure to foreign exchange rate fluctuations and involve costs and risks of their own, such as ongoing management time and expertise, external costs to implement the strategy and potential accounting implications.

29. Breach of our contracts with our vendors, third party suppliers or content providers may adversely affect our business, financial condition and results of operations.

We depend upon vendors and third party suppliers to provide us with the hardware and software required for installation and use of our services by our customers. Further, we depend upon our content providers to supply content for deployment by our customers. We may be liable to our vendors, third party suppliers or content providers if we breach our contracts with them. In particular, most of our content provider agreements contain confidentiality obligations. Any failure on our part to comply with such obligations could cause us to be in breach of our contract and could result in a claim against us for substantial damages or even termination of the contract by the content provider. The successful assertion of any claim by a third party would have a material adverse effect on our business, financial condition and results of operations. Although we maintain general liability insurance coverage, we cannot assure prospective investors that the terms of our insurance policies would be adequate to cover one or more large claims raised against us in this regard.

30. Our insurance coverage may prove inadequate to satisfy future claims against us.

We maintain insurance which we believe is commercially appropriate. Nevertheless, we may become subject to liabilities against which we are not adequately insured or insured at all or for which we cannot obtain insurance. Our insurance policies contain exclusions and limitations on coverage and we do not have business interruption insurance. In addition, our insurance policies may not continue to be available on reasonable terms, at economically acceptable premiums, or at all. As a result, our insurance coverage may not fully cover the claims against us. Our insurers may not accept all claims made by us. A successful assertion of one or more large claims against us that exceeds our available insurance coverage or changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, financial condition and results of operations and could cause the price of our Equity Shares to decline. For more information, see "Our Business – Insurance" on page 76

31. If the tax holidays, exemptions and tax deferral schemes which we currently benefit from are revoked or expire without renewal or if the Government of India reduces or withdraws tax benefits and other incentives it currently provides to companies within our industry or if the same are not available for any other reason, we may become liable for additional taxes which may have a material adverse affect on our financial condition and results of operations.

Currently, we benefit from one tax incentive under the Software Technology Park of India Scheme (the "**STPI Scheme**"), which allows us to pay a concessional or nil rate of duty on the plant and equipment which we import, subject to conditions, including an obligation to export software up to a certain value. This tax incentive will expire in 2010 or may be revoked prior to 2010 if we do not meet our export obligations. As of March 31, 2007, we had an export obligation of Rs. 139 million which must be fulfilled by March 31, 2008. In addition, as we are registered as a software technology park ("**STP**") unit under the STPI Scheme, we are required to maintain positive net foreign exchange earnings. Failure to comply with this requirement may cause us to lose our tax benefits under the STPI Scheme. We may also become liable for penal action under Foreign Trade (Development and Regulations) Act, 1992. We have historically maintained positive net foreign exchange earnings; however, we cannot assure prospective investors that we will continue to maintain positive net foreign exchange earnings.While we fully expect to comply with these obligations, there can be no assurance that we will be able to meet our obligations on time. Any inability to fulfil these export obligations in a timely manner or to maintain positive net foreign exchange earnings may result in the revocation of the tax incentive or may require us to pay significant import duties and other penalties which may have a material adverse affect on our financial condition and results of operations. Other than the tax incentive under the STPI Scheme, we do not benefit from any significant tax holidays, exemptions and tax deferral schemes.

Any withdrawal of tax incentives will result in a decrease in our effective tax rate compared to the tax rate that would have applied if these incentives had not been available. However, there can be no assurance that our existing tax exemption from import duty under the STPI Scheme will not be revoked or will be renewed when it expires, that any applications we make for new tax holidays or exemptions will be successful or that the Government of India will not enact laws in the future that would adversely affect our tax incentives. The expiry or loss of existing tax incentives and exemptions or the failure to obtain new tax holidays, exemptions or tax deferral schemes will likely increase our tax obligations and any increase could have a material adverse effect on our financial condition or results of operations.

U.S. and Indian transfer pricing regulations require that any international transaction involving associated enterprises be at an arm's-length price. We consider the transactions among our subsidiaries and us to be on arm's-length pricing terms. If, however, the applicable income tax authorities review any of our tax returns and determine that the transfer prices we have applied are not appropriate, we may incur increased tax liability, including accrued interest and penalties, which would cause our tax expense to increase, possibly materially, thereby reducing our profitability and cash flows.

32. We provide applications and services to our carrier customers who operate in a regulated industry and the licences and the regulatory environment in which they operate are subject to change, which may indirectly adversely affect our operations.

We provide applications and services to our carrier customers and are dependent on them to market or distribute our applications or services to their end-user subscribers. Our carrier customers operate in the telecommunications industry which is subject to extensive government regulation and licencing requirements. The extensive regulatory structure under which they operate could constrain their flexibility to respond to market conditions, competition or changes in cost structure. In addition, our carrier customers are required to obtain a wide variety of approvals and

licences from various regulatory bodies. There can be no assurance that such approvals will be granted on a timely basis or at all. The Government of India may also revise regulations or policies related to carriers or operators in the telecommunications industry on terms which may not be favourable to our carrier customers or which may result in uncertainties with respect to their implementation. In addition, the licences which our carrier customers require to operate in the telecommunications industry reserve broad discretion to the Government of India to influence the conduct of their businesses by giving the Government of India the right to modify at any time the terms and conditions of such licences, take over our carrier customers' networks and terminate, modify, revoke or suspend the licences in the event of default by our carrier customers in complying with the terms and conditions of the licences. Any unfavourable change in the regulatory environment may adversely affect the business, financial condition and prospects of our carrier customers and this may in turn have a material adverse effect on our business and results of operations. See " – External Risk Factors – Risks Relating to Our Industry – Our carrier customers are subject to extensive government regulation of the telecommunications industry in India" on page xxvi for more information.

33. The proprietary information or data of our carrier customers may be misappropriated by our employees and as a result, cause us to breach our contractual obligations in relation to such confidential information.

We require our employees to enter into confidentiality and non-disclosure agreements to limit access to and distribution of the confidential information of our carrier customers' subscribers such as their name and address lists. There can be no assurance that the steps taken by us will adequately prevent the disclosure of confidential information by an employee or a subcontractor or a subcontractor's employee and we do not have internal controls and processes to ensure that our employees comply with their obligations under such confidentiality and non-disclosure agreements. If the confidential information is disclosed by us or is misappropriated by our employees or subcontractors, our customers may raise claims against us for breach of our contractual obligations. The successful assertion of any claim may have a material adverse affect on our business, financial condition and results of operations.

34. We will be controlled by our Promoters and Promoter Group so long as they control a majority of our Equity Shares.

After the completion of the Issue, our Promoters and Promoter Group will control, directly or indirectly, approximately 57.53% of our outstanding Equity Shares.. As a result, our Promoters and Promoter Group will have the ability to exercise significant control over us and all matters requiring shareholder approval, including election of directors, our business strategy and policies and approval of significant corporate transactions such as mergers and business combinations. The extent of their shareholding in us may also delay, prevent or deter a change in control, even if such a transaction is beneficial to our other shareholders. The interests of our Promoters and Promoter Group as our controlling shareholders could also conflict with our interest or the interests of our other shareholders. We cannot assure prospective investors that our Promoters and Promoter Group will act to resolve any conflicts of interest in our favour.

35. Our Promoter Group Entities have incurred losses in the past.

(in Rs. millions)

	Profit/(Loss) after Tax		
Name of the Company	**March 31, 2007**	**March 31, 2006**	**March 31, 2005**
RiffMobile Private Limited	(0.392)	(0.170)	-
Mobile Traffik Private Limited	(0.010)	(0.009)	(0.010)

For more information, see "Our Promoters – Promoter Group" on page 116.

36. We have entered into, and will continue to enter into, related party transactions.

We have entered into transactions with several related parties, including our Promoters and Directors. For more information regarding our related party transactions, see "Related Party Transactions" on page 119 and Note 15 of our consolidated restated financial statements on page 144.

37. We are involved in certain litigation matters and any final judgments against us could have a material adverse effect on our business, results of operations, financial condition and prospects.

We are involved in two civil litigation matters relating to alleged violations of the Monopolies and Restrictive Trade Practices Act, 1969 and alleged infringement of intellectual property rights. Further, an order dated October

11, 2007 has been issued against us in a consumer case by the District Consumer Forum, Karimnagar, Andhra Pradesh ordering us to pay a penalty of Rs. 10,000. An order dated June 13, 2007 has also been issued against us by the Additional Commissioner of Customs levying a fine of Rs. 500,000 and a penalty of Rs.150,000 under the Customs Act, 1962. Further, a consumer case is pending against us before the District Consumer Forum, Hyderabad, Andhra Pradesh. In addition, on August 7, 2007 the Company Law Board issued an order imposing a composition fee of Rs. 15,000 on our Company and a fee of Rs. 5,000 each on D. Srikiran, Arvind Rao and Chandramouli Janakiraman for compounding an offence under Section 297(1) of the Companies Act, 1956.

A final judgment against us or our Directors in one or more of these disputes may result in damages being awarded that we must pay or injunctions against us, or criminal proceedings being instituted against us or our Directors, which may require us to cease or limit certain of our operations and have a material adverse effect on our business, results of operations, financial condition and prospects. For a detailed discussion of the material litigation matters pending against us, see "Outstanding Litigation and Material Developments" on page 264.

38. We do not own our registered office and other premises from which we operate.

We do not own the premises on which our registered office in Bangalore and other offices in Bangalore, Delhi and Mumbai are located. We operate from rented and leased premises. If any of the owners of these premises do not renew the agreements under which we occupy the premises or renew such agreements on terms and conditions that are unfavourable to us, we may suffer a disruption in our operations or have to pay increased rentals which could have a material adverse effect on our business, financial condition and results of operations. For more information, see "Our Business – Properties" on page 77.

In addition, we may in the future purchase properties for our offices. There can be no assurance that any information relating to our decision to purchase such properties will be accurate, complete or current. Any decision based on inaccurate, incomplete or current information may result in risks and liabilities associated with acquiring and owning such properties, being passed onto us. This may adversely affect our business, financial condition and results of operations. We may also require financing to fund our capital expenditures on these properties which may place restrictions on us which may, among other things, increase our vulnerability to general adverse economic and industry conditions, require us to dedicate a substantial portion of our cash flow from operations to make payments on our debt thereby reducing the availability of our cash flow to fund capital expenditures, meet working capital requirements and use for other general corporate purposes, either through the imposition of restrictive financial or operational covenants or otherwise.

39. We may find ourselves in breach of the terms of our arrangements with one or more carrier customers or be subject to fines and financial penalities because of our failure to help ensure that content is not obscene, defamatory, racist, or otherwise offensive or unlawful in nature.

We take steps to ensure that the content we deploy adheres to the standards and terms of our customer contracts. However, there can be no assurance that such content will not contain obscene, defamatory, racist, or otherwise offensive or unlawful material. If offensive or unlawful material is detected, we are able to take action to prevent the delivery of such material and fine or impose financial penalities on third-party content or service providers responsible for the attempted conveyance of such material. Such fines or financial penalities can be taken from revenue held by us that has not yet been delivered to a third party content or service provider. However, any failure on our part to detect and prevent the conveyance of such material could result in a breach of an arrangement with a carrier customer, which could cause such carrier customer to terminate its arrangement with us. In addition, fines and financial penalities may be imposed on us for such breach and we may not be successful in recovering such fines or financial penalities from our content or service providers. Any of the foregoing may in turn have a material adverse impact on our growth, business, financial condition or results of operations.

40. Our contingent liabilities could adversely affect our financial condition.

As of September 30, 2007, we had a contingent liability of Rs. 11.8 million towards our export obligations of Rs. 93.9 million under the STPI Scheme, as disclosed in our restated consolidated financial statements. There can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal year or in the future.

41. Our intended use of proceeds from the Issue has not been appraised by any bank or financial institution.

The net proceeds from this Issue are expected to be used as set forth under "Objects of the Issue" beginning on page 39. The proposed activities for which the proceeds are being raised have not been appraised by any bank or financial institution and the proceeds requirements are based primarily on management estimates. Accordingly, investors in this Issue will need to rely upon the judgment of our management with respect to the use of proceeds.

42. There are no standard valuation methodologies or accounting practices in the emerging telecommunications and related industries in India. Our financial statements are not comparable with those of other companies in the industry.

We are in the business of providing telecommunications value added products and services. There are no comparable listed companies in India. Hence, comparison with industry peers is not possible. Comparison with other companies may be difficult and may not provide investors with opportunities to make the sorts of comparative analyses they may make when investing in other companies.

43. Valuations in related sectors such as the telecommunications, software or information technology industries may not be sustained in future and current valuations may not be reflective of future valuations for such industries.

There is no standard valuation methodology for companies in businesses similar to ours. The valuations in related sectors such as telecommunications, software and the information technology industries are presently high and may not be sustained in the future. Additionally, current valuations may not be reflective of future valuations within these industries or our industry.

44. Our growth requires additional capital which may not be available on terms acceptable to us.

We intend to pursue a strategy of continued investment to grow our business and expand the range of products and services we offer. We anticipate that we may need to obtain financing as we expand our operations. We may not be successful in obtaining additional funds in a timely manner, on favourable terms or at all. If we do not have access to additional capital, we may be required to delay, scale back or abandon some or all of our acquisition plans or growth strategies or reduce capital expenditures and the size of our operations. See " – External Risk Factors – Risks Relating to India – Any downgrading of India's debt rating by an independent agency may harm our ability to raise debt financing" on page xxviii for more information.

45. We have not entered into any definitive agreements to use the net proceeds of the Issue.

The net proceeds from this Issue are expected to be used as set forth under "Objects of the Issue" beginning on page 39. The use of the net proceeds is at our sole discretion. We have not entered into any definitive agreements to utilise a substantial portion of the net proceeds of the Issue. We have not identified or approved of any investments in assets or otherwise, or any projects or acquisition targets to utilise the net proceeds of the Issue. There can be no assurance that we will be able to enter into such agreements on terms favorable to us or at all. In addition, one of the objects of the Issue is the repayment of a loan from the Kotak Mahindra Bank Limited for working capital purposes. This loan is for a term of 65 to 90 days. We intend to use the net proceeds from this Issue to repay the loan. Accordingly, investors in this Issue will need to rely upon the judgment of our management, who will have considerable discretion, with respect to the use of proceeds.

46. There could be changes in the implementation schedule of the expansion and diversification programme.

Our estimated fund requirements are based on our current business plan and strategy. However, we operate in a highly competitive and dynamic industry, and as such, we may have to revise our business and capital outlay plans from time to time. Accordingly, investors in this Issue will need to rely upon the judgment of our management with respect to the use of proceeds.

47. Some of our Subsidiaries have incurred losses in recent fiscal years.

Certain of our Subsidiaries have incurred losses in recent years, as set forth in the table below:

Name of Subsidiary	Profit /(Loss) After Tax			
	Six Months Ended September 30, 2007	Fiscal 2007	Fiscal 2006	Fiscal 2005
		(In millions)		
OnMobile Singapore Pte Limited (S$).....	0.0037	0.0008	(0.001)	(0.04)
OnMobile Australia Pty. Ltd. (A$)	(0.0071)	(0.001)	0.001*	–
Phonetize Solutions Private Limited (Rs.)	–	(0.026)	–	–
Vox mobili S.A. (€)	(0.14)	–	–	–
Vox mobili Inc. (US$)	0.03	–	–	–
PT OnMobile Indonesia (IDR).....	22.31	–	–	–

**For the period March 9, 2005 to March 31, 2006*

We cannot assure prospective investors that these Subsidiaries may not incur losses in the future.

48. The conditions imposed by our financing arrangement could adversely affect our ability to conduct our business and operations.

We have entered into a financing arrangement with Kotak Mahindra Bank Limited. As of January 31, 2008, we have drawn down an amount of Rs. 350 million under a working capital demand loan. Pursuant to our financing arrangement, Kotak Mahindra Bank Limited has imposed on us certain restrictive covenants, such as the requirement to inform the bank of various activities which we may undertake during the course of our business, such as the offering of escrow receivables to another bank, undertaking additional indebtedness and creating security over our assets, and the provision of financial information. Further, Arvind Rao and Chandramouli Janakiraman have to continue in their management capacity and as shareholders during the tenure of the facility. For further details see "Financial Indebtedness" on page 262. Failure to meet any of the conditions may have an adverse effect on our business and operations.

49. We may have to pay a certain sum to the key employees of Vox mobili if the Vox mobile ESOP is not implemented.

Pursuant to agreements executed for the acquisition of Vox mobili, certain employees of Vox mobili and/or it subsidiary, Vox mobili Inc. shall be given stock options under ESOP Plan II, 2007 ("**Vox mobili ESOP**"). See "Capital Structure - Notes to Capital Structure - ESOP Plans" at page 29 and "History and Certain Corporate Matters - Shareholders' Agreement and other Material Agreements - Agreements for acquisition of Vox mobili S.A." at page 89. The total value of the Vox mobili ESOP is €1.3 million to be payable in three tranches. In the event that the Vox mobili ESOP is not implemented, we have agreed to pay to the key employees an amount equal to €1.3 million subject to their continued employment with Vox mobili.

50. The loss of any customers of Vox mobili and concentration of revenues in certain periods of the year may affect our financial condition and results of operations.

As of January 31, 2008, Vox mobili had 21 customers worldwide. A few major customers account for a significant portion of Vox mobili's revenue. The loss of any one of their major customers or a decrease in the volume of sales from these customers or a decrease in the price at which Vox mobili offers their services to them may adversely impact its revenue and profitability.

In addition, while Vox mobili's costs are distributed throughout the year, its revenue is cyclical and concentrated largely in the third and fourth quarters of its fiscal year (which ends on December 31 of each year) due to a number of factors outside the control of Vox mobili, including the timing of its customers projects which result in seasonal variations in the demand for Vox mobili's products and services. Vox mobili's quarterly results of operations have varied in the past and are expected to continue to do so in the future. Most of Vox mobili's customers have long payment terms. Vox mobili's cash flow generally lags behind its sales and this may result in Vox mobili having negative operating cash flow in future periods.

EXTERNAL RISK FACTORS

Risks Relating to Our Industry

51. Our carrier customers are subject to extensive government regulation of the telecommunications industry in India.

While we are not subject to any specific government regulation, we are dependent on our carrier customers to market and sell our white label applications and services which we offer. As such, any regulation which may have a material adverse affect on our carrier customers may in turn adversely harm our business. The telecommunications industry in which our carrier customers operate is subject to extensive government regulation. The Government of India along with the Telecommunications Regulatory Authority of India ("**TRAI**") regulate many aspects of the telecommunications industry in India. The extensive regulatory structure under which our carrier customers operate could constrain their flexibility to respond to market conditions, competition or changes in their cost structure, and thereby adversely affect them. In addition, they are required to obtain a wide variety of approvals from various regulatory bodies. There can be no assurance that these approvals will be forthcoming on a timely basis or at all, which could have a material adverse effect on their business, results of operations, financial condition and prospects.

The Government of India may replace or revise regulations or policies, including the introduction of number portability, guidelines for Spectrum allocation and end-user pricing rules. Any such changes, and related uncertainties with respect to their implementation, could have a material adverse effect on the business, results of operations, financial condition and prospects of our carrier customers which may in turn adversely affect us. Our carrier customers may also need to incur capital expenditures to comply with and benefit from anticipated changes in regulation that are then postponed, not implemented or not implemented on terms favourable to them. In addition, their inability to complete certain actions required by the regulators on time or at all may adversely affect their operations and financial condition.

The licences under which our carrier customers operate their businesses typically reserve broad discretion to the Government of India to influence the conduct of their businesses by giving it the right to modify, at any time, the terms and conditions of the licences and to terminate or suspend the licences in the interests of national security or in the event of a national emergency, war or similar situations. In addition, the Government of India may also impose certain penalties including suspension, revocation or termination of a licence in the event of default by our carrier customers in complying with the terms and conditions of the licence. Our carrier customers' licences may also be for a fixed term and there can be no assurance that any of these licences will be renewed at all or renewed on the same or better terms. Any of the foregoing may have a material adverse effect on business, results of operations, financial condition and prospects of our carrier customers which may in turn have an adverse effect on us.

52. We may be adversely affected by new government regulations implemented for the telecommunications value added services industry in which we operate.

Currently, the telecommunications value added services industry is not subject to any specific government regulations. However, there can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licences from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations, or our inability to obtain these approvals and licences or perform such requirements and conditions on time or at all, may have a material adverse effect on our business and results of operations. In addition, we may have to incur capital expenditures to comply with any new regulations, which may also materially harm our results of operations.

53. We may be adversely affected by changes in technology.

The telecommunications industry is subject to rapid and significant changes in technology. The technologies we currently employ may become obsolete or subject to competition from new technologies in the future, and the technology in which we invest in the future may not perform as we expect or may be superseded by competing technologies before our investment costs have been recouped. In addition, the cost of implementing new technologies, upgrading our networks or expanding network capacity to effectively respond to technological changes and the introduction of third-generation mobile communications technologies may be substantial. Our ability to meet such costs will, in turn, depend upon our ability to obtain additional financing on commercially acceptable terms. Moreover, there can be no assurances that technologies will develop according to anticipated

schedules, or that they will perform according to expectations or be commercially accepted. As a result, our business, results of operations, financial condition and prospects could be negatively impacted.

54. There have been allegations in recent years that there may be health risks associated with the use of portable mobile communication devices which could adversely affect our business.

Portable communication devices may pose health risks due to radio frequency emissions from such devices. Several mobile communications equipment manufacturers have undertaken studies concerning the health risks associated with using mobile communications devices and have publicly announced that there is no evidence of any health hazards or risks. However, the actual or perceived risk of mobile communications devices in India could adversely affect us through a reduced subscriber growth rate or a reduction in subscribers or reduced network usage per subscriber or through a claim for compensation.

Risks Relating to India

55. A slowdown in economic growth in India could cause our business to suffer.

Our performance and growth are dependent on the health of the Indian economy. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalisation policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Any slowdown in the Indian economy may adversely impact our business and financial performance and the price of our Equity Shares.

56. Political instability or changes in the government could delay the liberalisation of the Indian economy and adversely affect economic conditions in India generally, which could impact our financial results and prospects.

Since 1991, successive Indian governments have pursued policies of economic liberalisation, including significantly relaxing restrictions on the private sector. Nevertheless, the role of the Indian central and state governments in the Indian economy as producers, consumers and regulators has remained significant. The leadership of India has changed many times since 1996. The current central government, the United Progressive Alliance, which came to power in May 2004, is a coalition of several political parties and is headed by the Indian National Congress Party. Although the current government has announced policies and taken initiatives that support the economic liberalisation policies that have been pursued by previous governments, the rate of economic liberalisation could change, and specific laws and policies affecting foreign investment and other matters affecting investment in our securities could change as well. Any significant change in liberalisation and deregulation policies could adversely affect business and economic conditions in India generally and our business in particular.

57. Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, make travel and other services more difficult and ultimately adversely affect our business.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

58. Natural calamities could have a negative impact on the Indian economy and cause our business to suffer.

India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in the past few years. The extent and severity of these natural disasters determines their impact on the Indian economy. Prolonged spells of below normal rainfall or other natural calamities could have a negative impact on the Indian economy, adversely affecting our business and the price of our Equity Shares.

59. Any downgrading of India's debt rating by an independent agency may harm our ability to raise debt financing.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our capital expenditure plans, business and financial performance.

60. Significant shortages in the supply of crude oil or natural gas could adversely affect the Indian economy, which could adversely affect us.

India imports approximately 75% of its requirements of crude oil. Crude oil prices are volatile and are subject to a number of factors such as the level of global production and political factors such as war and other conflicts, particularly in the Middle East, where a substantial proportion of the world's oil and natural gas reserves are located. Global crude oil prices have risen significantly in 2005 and 2006, driven in part by the strong demand for imported oil in India and China. Any significant increase in oil prices could affect the Indian economy. This could adversely affect our business including our ability to grow, our financial performance, our ability to implement our strategy and the price of our Equity Shares.

61. Wage pressures in India may prevent us from sustaining our competitive advantage and may reduce our profit margins.

Wage costs in India have historically been significantly lower than wage costs in the United States, Europe and other developed economies for comparably skilled professionals, which has been one of India's competitive strengths. However, wage increases in India may prevent us from sustaining this competitive advantage and may negatively affect our profit margins. Wages in India are increasing at a faster rate than in the western countries, which could result in increased costs for software professionals, particularly project managers and other mid-level professionals. We may need to continue to increase the levels of our employee compensation to remain competitive and manage attrition. Compensation increases may result in a material adverse effect on our business, financial condition and results of operations and could cause the price of our Equity Shares to decline.

62. Any disruption in the supply of power, information technology infrastructure and telecommunication lines could disrupt our business process or subject us to additional costs.

India's infrastructure, in particular its roads, airports and power sectors, needs to be upgraded to support growth in the country. Infrastructure in the cities needs to be improved substantially to handle the expansion of the information technology industry. Any disruption in basic infrastructure or the failure of the Indian government to improve the existing infrastructure could negatively impact our business since we may not be able to provide timely or adequate services to our customers. We do not maintain business interruption insurance and may not be covered for any claims or damages if the supply of power, information technology infrastructure or telecommunication lines are disrupted. This may result in the loss of customers, impose additional costs on us and have an adverse effect on our business, financial condition and results of operations and could cause the price of our Equity Shares to decline.

Risks Relating to this Issue and Investment in our Equity Shares

63. After this Issue, our Equity Shares may experience price and volume fluctuations or an active trading market for our Equity Shares may not develop.

The price of the Equity Shares may fluctuate after this Issue as a result of several factors, including volatility in the Indian and global securities markets, the results of our operations, the performance of our competitors, developments in the Indian telecommunications sector and changing perceptions in the market about investments in the Indian telecommunications sector, adverse media reports on us or the Indian telecommunications sector, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalisation and deregulation policies, and significant developments in India's fiscal regulations.

There has been no recent public market for the Equity Shares prior to this Issue and an active trading market for the Equity Shares may not develop or be sustained after this Issue. Further, the price at which the Equity Shares are initially traded may not correspond to the prices at which the Equity Shares will trade in the market subsequent to this Issue.

64. Any future issuance of Equity Shares may dilute prospective investors' shareholding and sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares.

Any future equity issuances by us, including in a primary offering, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

65. Over the past 12 months, we have issued Equity Shares, and may have done so at prices which are lower than the offer price of our Equity Shares in this Issue.

Over the past 12 months, we have issued Equity Shares at prices ranging between Rs. 10 to Rs. 3,881 per Equity Share. For more information, see "Capital Structure – Notes to Capital Structure" at page 23. The price at which Equity Shares have been issued in the past 12 months is not indicative of the price at which Equity Shares may be offered in the Issue or at the price at which they will trade upon listing.

66. There is no guarantee that the Equity Shares will be listed on the Indian stock exchanges in a timely manner, and prospective investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase in the Issue.

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after those Equity Shares have been issued and allotted. Approval will require all other relevant documents authorising the issuing of Equity Shares to be submitted. There could be a delay in listing the Equity Shares on the NSE and BSE. Any delay in obtaining the approval would restrict prospective investors' ability to dispose of their Equity Shares.

In addition, pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Investors' book entry, or "demat", accounts with depository participants in India are expected to be credited within two working days of the date on which the basis of allotment is approved by NSE and BSE. Thereafter, upon receipt of final approval from the NSE and the BSE, trading in the Equity Shares is expected to commence within seven working days of the date on which the basis of allotment is approved by the Designated Stock Exchange. We cannot assure that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified above.

67. Because the Issue Price per Equity Share is likely to be substantially higher than our book value per Equity Share, purchasers in this Issue will immediately experience a substantial dilution in net tangible book value.

Purchasers of our Equity Shares will experience immediate and substantial dilution in net tangible book value per Equity Share from the Issue Price per Equity Share. After giving effect to the sale of Equity Shares being offered and sold in this Issue and after deducting underwriting discounts and commissions and estimated Issue expenses payable by us, and the application of the net proceeds, our pro forma as adjusted net tangible book value as of September 30, 2007, would have been Rs. 100 per Equity Share. This represents an immediate dilution in net tangible book value of Rs. 340 per Equity Share to new investors purchasing our Equity Shares in this Issue.

68. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.

We are subject to a daily circuit breaker imposed by all stock exchanges in India, which does not allow transactions beyond certain volatility in the price of the Equity Shares. This circuit breaker operates independently of the index based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker from time to time, and may change it without our knowledge. This circuit breaker effectively limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

Notes to Risk Factors

(i) Public issue of 10,900,545 Equity Shares of Rs. 10 each for cash at a price of Rs. 440 per Equity Share including a share premium of Rs. 430 per Equity Share, aggregating Rs. 4,796.24 million, comprising of a Fresh Issue of 8,613,356 Equity Shares of the Company and an Offer for Sale of 2,287,189 Equity Shares by the Selling Shareholder. The Issue would constitute 18.99% of the post-Issue paid-up capital of our Company.

(ii) In terms of Rule 19 (2)(b) of the Securities Contracts (Regulations) Rules, 1997, as amended ("**SCRR**"), this being an Issue for less than 25% of the post-Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue will be allocated on a proportionate basis to Qualified Institutional Buyers ("**QIB**s"), out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

(iii) The average cost of acquisition of Equity Shares by each of our Promoters, OMSI, Arvind Rao and Chandramouli Janakiraman, is Rs. 0.77. For details see "Capital Structure" on page 22. The average cost of acquisition of Equity Shares by our Promoters has been calculated by taking the average of the amounts paid by them to acquire the Equity Shares acquired by them including bonus shares.

Pursuant to the agreements executed in connection with the acquisition of ITfinity, 24,430 (adjusted for any bonus issue or rights issue or share split or consolidation) Equity Shares of our Company are to be held in escrow until December 20, 2008 ("**Employment Period**"). After the expiration of the Employment Period, the shares are required to be released to the founders of ITfinity. If their employment is terminated within the Employment Period due to reasons stated therein, the Equity Shares kept with the escrow agent are required to be transferred back to our Company or to Arvind Rao or Chandramouli Janakiraman at par value. For more details, see "History and Certain Corporate Matters - Recent Acquisitions and Investments - Acquisition of ITfinity Solutions Private Limited" at page 87. In that event, the revised cost of acquisition of the Equity Shares by our Promoters, OMSI, Arvind Rao and Chandramouli Janakiraman shall be Rs. 0.78 each.

	No. of shares	**Purchase Price**
Shares held by Promoters pre-bonus	2,869,819	28,698,190
No. of shares issued as bonus shares	3,4437,828	Nil
Assuming transfer of shares in case the IT finity Share Purchase Agreement fails	24,430	244,300
Total	**37,332,077**	**28,942,490**
Cost of Acquisition per share	**0.78**	

(iv) The net worth of our Company is Rs. 1,643.41 million as of March 31, 2007 and Rs. 2,220.1 million as of September 30, 2007, as per our consolidated restated financial statements included in this Prospectus.

(v) The net asset value/book value per Equity Share of Rs. 10 each was Rs. 497 as of March 31, 2007 and Rs. 46.0 of September 30, 2007 as per our consolidated restated financial statements included in this Prospectus.

(vi) Our Promoters, are interested in our Company by virtue of their shareholding, if any, in our Company and our Directors and Key Managerial Personnel are interested in our Company by virtue of their shareholding, if any, in our Company and to the extent of stock options granted to them under the ESOP Plans, if any and to the extent of remuneration and sitting fees paid to the Directors, if any. See "Capital Structure" and "Our Management" on pages 22 and 100, respectively.

(vii) Other ventures promoted by our Promoters are interested to the extent of their shareholdings in our Company. See "Capital Structure" on page 22.

(viii) Trading in Equity Shares of our Company for all investors shall be in dematerialised form only.

(ix) Any clarification or information relating to the Issue shall be made available by the BRLMs and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever. Investors may contact the BRLMs for any complaints pertaining to the Issue.

(x) For related party transactions, see "Related Party Transactions" on page 119.

(xi) Investors are free to contact the BRLMs for any clarification or information relating to the Issue who will be obliged to provide the same to the investor.

(xii) Investors may note that in case of over-subscription in the Issue, at least 60% of the Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers, not less than 10% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 30% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. From the existing QIB Portion, 5% of the QIB Portion shall be available for allocation to Mutual Funds. Mutual Funds participating in the 5% share in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. Under-subscription, if any, in the Retail or Non Institutional Portion would be met with spill over from other categories or combination of categories at the discretion of the Company and the Selling Shareholder in consultation with the BRLMs. For more information, please refer to "Issue Procedure – Basis of Allotment" on page 307.

(xiii) Investors are advised to refer to "Basis for Issue Price" on page 43.

(xiv) Our Company was incorporated as Onscan Technologies India Private Limited on September 27, 2000. In order to reflect the Company's wire applications business, the name of our Company was changed to OnMobile Asia Pacific Private Limited with effect from April 10, 2001 and a fresh certificate of incorporation consequent upon the change of name was issued by the RoC in this regard. The name of our Company was further changed to OnMobile Global Limited and status of our Company was changed to a public limited company by a special resolution of the members passed at AGM held on August 17, 2007. The fresh certificate of incorporation consequent upon the change of name was granted to our Company on August 21, 2007 by the RoC.

(xv) Our registered office was shifted from 1003-1004, Prestige Meridian II, 30, M.G. Road, Bangalore 560 001, India to Pavithra Complex, Site No.1, 1st floor, 2nd Cross, 27th Main, BTM 1st Stage, Bangalore 560 068, India by a resolution of our Board dated July 5, 2004. The registered office was again shifted to No. 26, Bannerghatta Road, J.P. Nagar 3rd Phase, Bangalore 560 076, India by a resolution of our Board dated April 14, 2006.

(xvi) OMSI has sold 2,042,141 Equity Shares of the Company and Kings Road Investments (Mauritius) Limited has sold 800,000 Equity Shares of the Company at a price of Rs. 425 per Equity Share (the "**Secondary Sale**"). For details see "History and Certain Corporate Matters – Shareholders' Agreement and other Material Agreements - Agreements for the Secondary Sale" on page 93. OMSI has engaged Deutsche Bank AG, Hong Kong, an affiliate of Deutsche Equities India Private Limited (a BRLM), as the sole lead arranger in connection with the Secondary Sale. All investors acquiring Equity Shars through the Secondary Sale from OMSI and Kings Road Investments (Mauritius) Limited will be subject to a lock-in expiring one year from the date of Allotment in the Issue.

SECTION III – INTRODUCTION

SUMMARY OF OUR BUSINESS, STRENGTHS AND STRATEGY

We are a leading provider of telecommunications value added software products and services in India with an expanding international presence, particularly in emerging markets in Asia. Our products are targeted at end-user telecommunications subscribers with an increasing focus on capitalising on the convergence between wireless and wireline telecommunications services, media content distribution, internet, mobile marketing and mobile commerce.

We have a broad range of applications that are delivered by our carrier customers to their end-user subscribers. These products include ringback tones, voice portals, ringtone downloads, subscription manager, contests, music messaging, on-device client software, mobile radio, dynamic voicemail, voice short messaging service and missed call alerts which enable subscribers to personalise their mobile phones and thereby enhance user experience. Our products also allow subscribers to access informational and entertainment content in multiple languages using speech-based navigation such as stock and commodity price updates, news, sports updates, jokes and music. In addition, subscribers can access entertainment content such as live sports commentary and karaoke using our audio streaming solutions. Our products include interactive user-generated content solutions which allow subscribers to participate in contests and auctions, classified advertisements and find-a-friend.

We also deliver interactive media solutions to leading media companies, such as tele-voting, interactive programming and mobile auditioning. Our interactive media solutions are also used by marketing companies for mobile advertising and lead generation. In addition, we provide a range of mobile commerce solutions which enable subscribers to buy movie tickets, railway tickets, top up their pre-paid mobile phonecards and pay bills using their mobile phones.

Our customers include the major telecommunications carriers or operators in India such as Bharti Airtel Limited ("**Bharti**"), Bharat Sanchar Nigam Limited ("**BSNL**"), Idea Cellular Limited ("Idea"), Reliance Communications Limited ("**Reliance**"), Tata Teleservices Limited ("**TTSL**") and Vodafone Essar Limited ("**Vodafone Essar**") and more than 10 international telecommunications operators in over eight countries, including SingTel Optus Pty Limited ("**Optus**") in Australia, Sheba Telecom (Pvt) Limited ("**Banglalink**") in Bangladesh, Malaysian Mobile Services Sdn Bhd ("**Maxis**") in Malaysia, PT Bakrie Telecom, Tbk ("**BTEL**") and PT Indosat Tbk **("Indosat**") in Indonesia. Based on information from publicly available sources such as COAI and TRAI as of September 30, 2007, we had a market reach of more than 232 million subscribers in India. Based on end-user data publicly available from our customers, as of June 30, 2007, we had a market reach of more than 81 million subscribers internationally. In addition, as of March 31, 2007 we had approximately 156 million unique users who had used at least one of our services since our inception.

In addition to telecommunications carriers, we market our products and services to media companies such as AOL Interactive Media India Pvt. Ltd. ("**AOL**"), Buena Vista Internet Group ("**Disney**"), ESPN Software India Pvt Ltd ("**ESPN**"), India Today Group digital, a division of Living Media India Ltd., Star India Pvt. Ltd. ("**Star**"), merchants, handset equipment manufacturers such as Nokia Pte Ltd. ("**Nokia**"), content owners and creators, advertisers, and other large corporations.

Our products create new revenue sources for our customers by expanding the technical and market reach of mobile phones and telecommunications networks. Telecommunications value added services provide incremental revenue to the telecommunication operators with comparatively smaller spending on capital expenditures.

We provide our carrier customers with end-to-end turnkey solutions, which we manage for them on an outsourced service basis through long term contracts. Almost all our contracts provide for revenue sharing through which we receive a portion of the revenue generated by the carriers from their end-user subscribers. This enables us to earn recurring revenue over a long term period and to share in the benefits of growth in our carrier customers' subscriber base and increased usage of our services. We source content for our applications from over 65 content owners and content suppliers which we deliver to our customers through our delivery platforms.

Most of our applications are not network or handset specific and are deployable across major networks, including the Global System for Mobile Communications ("**GSM**"), Code Division Multiple Access ("**CDMA**") and legacy wireline networks, regardless of the technical capabilities of the mobile device. Our multi-modal platform enables us to deliver text, audio, data or video content through multiple modes including voice, Short Messaging Service ("**SMS**"), Multimedia Message Service ("**MMS**"), Unstructured Supplementary Service Data ("**USSD**"), on-

device portals, wireless application protocol ("**WAP**") and 2, 2.5 and third generation protocol ("**3G**") technologies to the end-user subscribers, thereby allowing us to rapidly deploy a wide range of our products across operators and networks.

We use speech recognition technology as one of our primary user interfaces to satisfy increasing market demand for simpler user interfaces. Our speech-based solutions are not handset specific and is not dependent on the capabilities of the handsets and can be used by almost all our target subscriber base, giving us significant market reach, consumer acceptance and usage. In addition, our on-device software product simplifies the user interface and enables end-users to access sophisticated services easily.

We have a track record of creating, developing and successfully launching innovative software product applications such as Indian vernacular and international languages for our voice portals, ringback tones, Press-*-to-Copy, dynamic ringback tones, viral ringback tones, live audio commentary, vernacular WAP portal and voice search solutions, which validates our technology development strength and depth of market experience. Based on our track record and consistent ability to develop and deliver products and services to our customers over the past few years, we believe that we are well positioned to serve as an integrated solutions provider for our customers who want to rapidly and cost-effectively provide a broad range of telecommunications value added services to their subscribers and create new revenue streams.

We were incorporated in India on September 27, 2000 by OMSI, which was an incubated startup of Infosys Technologies Limited ("**Infosys**"), to develop telecommunication software applications for the mobile telecommunications industry worlwide. Our registered office is located in Bangalore, India. We also maintain offices in Singapore, Jakarta and Sydney. In December 2006, we acquired ITfinity, a mobile technology software specialist based in India with an expertise in developing mobile data products. We have recently acquired Vox mobili SA to expand our product portfolio in data and to access markets in Europe and North America. See "–Vox mobili SA" for more information.

We were ranked the top value added services company in fiscal 2007 by Voice & Data, a leading publication for the telecommunications industry in India. According to Nuance Communications, Inc., a leading provider of speech and imaging solutions for businesses and consumers around the world, we had the largest value-added services deployment of speech ports worldwide of Nuance Communications, Inc., , in fiscal 2007 and 2006. In addition, we were ranked first in the Deloitte Technology Fast 50 India 2007 program which lists 50 of the fastest growing technology companies in a specific geographic area based on percentage revenue growth.

Our consolidated net revenue increased from Rs. 409.5 million in fiscal 2005 to Rs. 826.2 million in fiscal 2006 and to Rs. 1,366.8 million in fiscal 2007, representing a compound annual growth rate of 82.7% Our consolidated earnings after tax increased from Rs. 140.2 million in fiscal 2005 to Rs. 246.8 million in fiscal 2006 and to Rs. 349.4 million in fiscal 2007, representing a compound annual growth rate of 57.9%. For the six months ended September 30, 2007, our consolidated net revenue was Rs. 1,125.1 million and our consolidated earnings after tax was Rs. 305.2 million.

Our Competitive Strengths

Significant market share in India's fast growing telecommunications value added services market

The provision of telecommunications services is a priority in India's expanding economy. As land-based telephone connections and services are inadequate and/or antiquated, mobile phones are increasingly required to fill the growing demand for communications. Competitive pressures have also resulted in decreasing prices in the Indian telecommunications industry and our carrier customers are increasingly looking to value added services to support and grow their revenue and margins. As a result, India has developed into one of the fastest emerging markets in the world for mobile value added services, according to Cygnus Business Consulting & Research. In India, our customers include leading telecommunication carriers such as Bharti, BSNL, Idea, Reliance, TTSL and Vodafone Essar which have 23.1%, 17.3%, 8.7%, 17.2 %, 9.4% and 16.6%, respectively, of the market share of the total wireless subscribers as of June 2007, according to TRAI. As of September 30, 2007, based on the subscriber figures for our carrier customers, we had a market reach of approximately 95% of India's telecommunications subscribers through our carrier customers, based on information obtained from publicly available sources such as COAI and TRAI.

Long-term customer relationships which create high technological and time-to-market barriers to entry for new entrants

We have long-standing relationships with our customers developed through our long-term partnership contracts and revenue sharing arrangements that allow us and our customers to share in the revenue generated by our products and services. Our customer contracts are generally master contracts that allow us to add new products and services rapidly with essentially the same terms and conditions as the master contract. Since our inception in September 2000, we have not lost any major customers and have consistently achieved year on year revenue growth with each of them. This was achieved through our development of innovative revenue generating products and joint revenue product planning and service deployments with our customers, thereby making us integral to our customers' growth plans.

Furthermore, service deployments with our major carrier customers involve complex hardware systems and software applications deeply embedded within the carrier's network infrastructure and integrated into the carrier's billing, provisioning, service management, customer care and other core network systems. In order to manage, maintain and operate the software applications provided to our customers and integrate them into our joint product planning and new service deployment processes, we maintain a high level of interaction and close working relationships with each of our major customers. This minimizes the complexities involved in deploying and marketing new services, which gives us an advantage over our competitors in the development, testing and commercialisation of innovative new mobile solutions and products by reducing the time-to-market for new product introductions as the new products, content and updates can be easily launched through our existing infrastructure.

In addition, we offer our customers end-to-end turnkey solutions, which we manage for them on an outsourced service basis. Such end-to-end solutions include hardware and software platforms, application development, infrastructure management and customer support, including software maintenance, hardware support and help desk services. By providing end-to-end solutions, we operate as a "one-stop-shop" for carriers and other customers that look for product, operational and marketing support. Our ability to deliver end-to-end solutions significantly helps customers who are interested in conceiving, developing and quickly getting their new service offerings to market. For example, we are one of the few providers in India to offer mobile commerce solutions as managed services. For more information, see " – Customer Delivery – End-to-end Turnkey Solutions" on page 73.

Proven track record in bringing innovative solutions to market

We believe that with our track record, accumulated market experience, technical capabilities and operational expertise, we are well positioned to serve as an integrated solutions provider for our customers who want to rapidly and cost-effectively provide a broad range of telecommunications value added services to their subscribers. For example, we have a proven track record of creating, developing and successfully launching innovative product applications such as Indian vernacular languages for our voice portal and audio streaming ringback tones solutions.

In addition, we have invested and will continue to invest resources in research and development in order to keep creating new applications and solutions and to upgrade or improve our existing ones. We believe that the research and development experience and knowledge base that we have developed over the years will enable us to continue delivering innovative services in the area of new and enabling technologies and keep us at the forefront of developments in our industry. The large size of our research and development team and their technical expertise allows us to offer and customize tailored products and services to our customers in very short timeframes with advanced software features. See "– Technology and Product Development" on page 75 for more information.

Blue-chip customer base

We have successfully deployed our solutions over the past seven years and currently service major blue-chip customers including AOL, Bharti, BTEL, BSNL, Idea, Indosat, Maxis, Optus, Reliance, Star, TTSL and Vodafone Essar. Our existing relationships with such blue-chip customers enable us to easily cultivate new customer relationships, as new customers are aware that our blue-chip customers have selected us based on our constant innovation, consistent operational track record and the competitiveness of our products and the commercial terms of our business.

We draw significant benefits from our scale of operations and breadth of products

Our business exhibits significant economies of scale, for example in software development manpower costs, hardware and software purchasing, centralised operations support staff, content purchasing and infrastructure. The breadth and depth of our product and services portfolio allows us to extract value from cross-selling services, data mining, cost sharing, re-use of software code, sharing of system resources and databases and other similar synergies. It allows our customers to offer a wide range of similar user interface services to their subscribers, resulting in ease of market adoption, faster revenue results, and higher end-user satisfaction. We continuously work on feature enhancements and interlinkages between our products to generate new value in a cost efficient manner. Such synergies are not available to many of our single-product competitors.

Experienced management and core engineering team

Our senior management team has an average of over 15 years of experience in the telecommunications and technology industries and have previous work experience at well established companies such as Infosys, Ericsson India Private Limited, Nokia India Private Limited, IBM, Hughes Escorts Communication Limited and Samsung Corporation. Our senior management team has significant experience in all aspects of our business and has transformed us from a small start-up into our current status as a leading provider of telecommunications value added products and services in India. In addition, our core engineering team consists primarily of experienced ex-Infosys employees who bring with them global delivery process and software engineering expertise. Most of the members of our senior management and core engineering teams have been with us since our inception and have successfully executed our growth strategy that has increased our net revenue from approximately Rs. 172.6 million in fiscal 2004 to Rs. 1,366.8 million in fiscal 2007. See "Our Management" on page 100 for more information.

Our Strategy

Our mission is to grow into one of the leading global providers of telecommunications value added services serving global wireless and wireless telecommunication operators, mobile virtual network operators, media companies, content owners and publishers, internet companies, mobile commerce merchants and corporates

Develop and launch innovative applications to further penetrate our existing customer base as well as new markets

We believe that the telecommunication value added services industry is evolving rapidly due to the development of more sophisticated handsets, advanced network infrastructure, increasing consumer acceptance and the availability of rich and varied content and services for end-users. We have a track record in developing and launching innovative new products that tap into consumer preferences across the markets we serve. We intend to utilise our leading market position in India to launch, test and develop innovative applications and services with our existing carrier customers, thereby expanding the breadth of services we power and manage for them, as well as export these new applications and services in new international markets as they become commercially viable. We have a pipeline of software products under development and expect to supplement these with products and technology that we may acquire. For example, we are currently in the process of deploying our new mobile marketing solutions such as our m-advertising, m-coupon and Ad-RBT solutions with our customers. As our product portfolio and end-user base expands, we also benefit from increased market understanding which enables us to analyse purchasing and usage behaviour, develop products which match consumer preferences and cross-sell services to the end-users we reach.

Expand our international presence

We intend to expand our geographic presence and market to new carrier and other target customers by leveraging our expertise and track record in offering products that address the needs of international customers. In fiscal 2007, we entered into contracts with eight new wireless carriers in Indonesia, Malaysia, Pakistan, Bangladesh and Sri Lanka for licencing and management of our telecommunications value added services. In order to develop and support these new carrier customer relationships, we intend to upgrade and expand our network of development, sales and support resources in potential growth markets, establish overseas offices and to enter into local partnerships and distribution arrangements.

Continue developing new service initiatives such as our mobile commerce and mobile marketing and media solutions portfolio

We have successfully tested and launched mobile commerce applications such as movie ticketing, railway ticketing and utility bill payment. With the evolution of the mobile phone beyond its basic call functionality, we believe that there are opportunities to deploy applications and services which enable merchants and consumers to sell and purchase goods, mobile content and other products using the wireless handset as a sales channel. Merchants will be able to leverage the increasing reach of telecommunications networks to access large and difficult to reach markets like the rural sections of India. We intend to leverage the mass customisation capabilities of our value added software services deployments with carriers to bring to market advanced capabilities such as demand aggregation and personalised one to one direct marketing. We believe that our experience in delivering telecommunications value added services to mobile users over a seven-year period gives us a deep understanding of usage behavior on value added services. We intend to continue working with marketing and media companies and operators to develop focused marketing and advertising solutions for target market sectors or customers.

Pursue selective strategic acquisitions and investments

We continually seek new growth and acquisition opportunities in our existing line of business as well as related businesses to expand our geographic presence, service offerings, carrier relationships and technological expertise. By selecting the opportunities for growth and acquisition carefully and leveraging our transactional, project execution, and operational skills, we expect to continue to expand our business. For example, in December 2006, we acquired a majority stake in ITfinity, a mobile technology software specialist with an expertise in the development of mobile data products based in Mumbai, which subsequently merged with us in May 2007. Its customers include, among others, Nokia. In September 2007, we acquired Vox mobili SA, a Paris-based global provider of personal data management, wireless synchronization and embedded client solutions. We will pursue similar opportunities in other regions to strengthen and grow our business, including investment in or acquisition of minority or majority stakes in companies which support our business and product strategy.

Strategic distribution partnerships

For selected markets and product categories, we intend to enter into strategic distribution partnerships with well established companies which have strengths that are complementary to ours. For example, we recently signed a global reseller agreement with Nokia Siemens Networks GmbH & Co. KG to distribute our ringback tones products to their global customer base using their customer account teams, onsite resources and infrastructure and thereby leverage their local customer base and product support capabilities.

Attract and retain talent

We intend to continue identifying, attracting, training and retaining highly skilled application development engineers and technical personnel, business development experts and well-qualified and experienced senior management and sales team members. Building successful technical and business teams will enable us to continue identifying and developing innovative products and solutions, deepen and expand our customer relationships and pursue acquisitions to grow our business.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our restated consolidated financial statements as of and for the year ended December 31, 2002, the 15 month period ended March 31, 2004, the years ended March 31, 2005, 2006 and 2007 and for the six month period ended September 30, 2007 and 2006. Prior to fiscal 2004, our fiscal year ended on December 31 of each year. Accordingly, our fiscal 2003 ended on December 31, 2002. Beginning fiscal 2004, we changed our fiscal year to end on March 31 of each year.These financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Guidelines and are presented in the section titled "Financial Statements" beginning on page 122. The summary financial information presented below should be read in conjunction with our restated consolidated financial statements, the notes thereto and the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 245. Indian GAAP differs in certain significant respects from US GAAP and IFRS.

ONMOBILE GLOBAL LIMITED (formerly ONMOBILE ASIA PACIFIC PRIVATE LIMITED)

Annexure 1 - Restated Summary Statement of Consolidated Assets and Liabilities

(Amount in Rs. Million)

		As at September 30, 2007	As at March 31, 2007	As at September 30, 2006	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at December 31, 2002
FIXED ASSETS								
Gross Block		931.72	580.64	442.26	356.01	181.34	115.44	12.82
Less: Accumulated depreciation		396.56	289.23	210.63	143.00	57.90	13.11	6.08
Net Block		535.16	291.41	231.63	213.01	123.44	102.33	6.74
Add: Capital Work in Progress		188.90	42.87	10.77	-	5.05	-	-
Total	**A**	724.06	334.28	242.40	213.01	128.49	102.33	6.74
Goodwill on consolidation	**B**	1,338.59	-	-	-	-	-	-
INVESTMENTS	**C**	104.58	1,023.54	1,211.14	26.07	10.14	5.08	-
CURRENT ASSETS, LOANS AND ADVANCES								
Inventory		-	-	-	-	-	1.58	0.68
Sundry debtors		956.92	539.27	495.74	340.49	165.08	36.14	5.47
Cash and bank balances		155.37	211.61	172.24	39.93	41.68	29.25	8.44
Loans and advances		731.19	478.76	372.96	236.38	88.93	15.74	0.87
Total	**D**	1,843.48	1,229.64	1,040.94	616.80	295.69	82.71	15.46
Total (A+ B+ C+ D)	**E**	**4,010.71**	**2,587.46**	**2,494.48**	**855.88**	**434.32**	**190.12**	**22.20**
Deferred tax liability (net)		21.93	29.85	23.49	23.38	11.30	8.06	-
LIABILITIES AND PROVISIONS								
Secured Loans		300.00	-	-	-	-	-	-
UnSecured Loans		-	-	-	-	-	-	-
Current Liabilities & Provision		1,214.40	722.54	649.87	386.60	224.93	124.22	7.55
Total	**F**	**1,536.33**	**752.39**	**673.36**	**409.98**	**236.23**	**132.28**	**7.55**
Due to Erstwhile Shareholders of ITFINITY	**G**	-	191.66	405.14	-	-	-	-

SOLUTIONS (P) LTD								
Deferred Payment Liability	**H**	253.65	-	-	-	-	-	-
Stock options outstanding account	**I**	0.63	-	-	-	-	-	-
Net Worth (E-F-G-H-I)	**J**	**2,220.10**	**1,643.41**	**1,415.98**	**445.90**	**198.09**	**57.84**	**14.65**
Net Worth represented by								
SHAREHOLDERS' FUNDS								
Share capital		487.93	36.54	26.80	22.92	22.90	22.87	22.87
Reserves & surplus		1,732.17	1,606.87	1,389.18	422.98	175.19	34.97	(8.22)
Minority interest (Rs.264 as at September 30, 2007 and Rs.2,461as at September 30, 2006)		-	-	-	-	-	-	-
Total		**2,220.10**	**1,643.41**	**1,415.98**	**445.90**	**198.09**	**57.84**	**14.65**

ONMOBILE GLOBAL LIMITED (formerly ONMOBILE ASIA PACIFIC PRIVATE LIMITED)

Annexure 2 - Restated Summary Statement of Consolidated Profits and Losses

(Amount in Rs. Million)

	For the half year ended September 30, 2007	For the year ended March 31, 2007	For the half year ended September 30, 2006	For the year ended March 31, 2006	For the year ended March 31, 2005	For the period ended March 31, 2004	For the year ended December 31, 2002
INCOME							
Telecom Value Added Services							
- Domestic	1,059.67	1,269.72	529.03	784.80	387.76	118.65	14.05
- Export	20.40	36.79	-	-	0.57	-	6.40
Software Development							
- Domestic	9.80	8.52	2.10	-	-	-	-
- Export	2.71	15.18	9.48	-	-	-	-
Software Licence Fee							
- Domestic	11.21	13.50	4.50	27.00	14.06	50.75	-
- Export	17.38	-	-	-	-	-	-
Other Services	3.94	23.12	19.54	14.37	7.07	3.24	-
Other income	37.92	45.18	2.76	1.09	1.42	1.16	0.15
Net Income	**1,163.03**	**1,412.01**	**567.41**	**827.26**	**410.88**	**173.80**	**20.60**
EXPENDITURE							
Cost of Sales & Services	162.27	237.85	100.75	122.82	59.58	49.36	6.55
Manpower costs	266.53	278.59	120.66	114.88	46.11	35.76	12.44
Administration and other expenses	211.04	224.16	101.60	117.15	38.85	17.61	4.63
Total Operating Expenses	**639.84**	**740.60**	**323.01**	**354.85**	**144.54**	**102.73**	**23.62**
Earnings before Interest, Tax and Depreciation	**523.19**	**671.41**	**244.40**	**472.41**	**266.34**	**71.07**	**(3.02)**
Depreciation	99.83	144.04	65.44	85.10	44.78	8.52	4.00
Earnings before Interest and Tax	**423.36**	**527.37**	**178.96**	**387.31**	**221.56**	**62.55**	**(7.02)**
Finance charges	2.09	0.16	-	-	-	-	-
Earnings before Tax	**421.27**	**527.21**	**178.96**	**387.31**	**221.56**	**62.55**	**(7.02)**
Provision for taxation							
- current tax	115.22	165.16	64.29	124.91	78.10	11.30	0.14
- deferred tax	(4.41)	6.40	0.03	12.08	3.24	8.06	0.05
- fringe benefit tax	5.22	6.21	1.63	3.53	-	-	-

Earnings after Tax	**305.24**	**349.44**	**113.01**	**246.79**	**140.22**	**43.19**	**(7.21)**
Profit of Share of Minority Interest (Rs.264 as at September 30, 2007 and Rs.2,461as at September 30, 2006)	-	**-**	-	**-**	**-**	-	-
Earnings after Tax after Minority Interest	**305.24**	**349.44**	**113.01**	**246.79**	**140.22**	**43.19**	**(7.21)**
Balance brought forward from previous year	728.42	421.98	421.98	175.19	34.97	(8.22)	(1.01)
Less: Provision for leave encashment (Refer Note 11 II (a) in Annexure 5)	7.00	**-**	-	**-**	**-**	-	-
Less: Transfer to capital redemption reserve (Refer Note 6 (b) in Annexure 5)	0.09	**-**	**-**	**-**	**-**	**-**	**-**
Less: Interim Dividend (Refer Note 10 in Annexure 5)	**-**	37.71	**-**	**-**	**-**	**-**	**-**
Less: Dividend Distribution tax	**-**	5.29	**-**	**-**	**-**	**-**	**-**
Balance carried forward to Balance sheet	**1,026.57**	**728.42**	**534.99**	**421.98**	**175.19**	**34.97**	**(8.22)**
No. of Equity Shares of 10 each outstanding	**48,792,783**	**3,300,207**	**2,322,458**	**1,000,000**	**1,000,000**	**1,000,000**	**1,000,000**
Weighted average no. of Equity Shares of 10 each outstanding							
- Basic	**44,593,694**	**26,634,907**	**19,307,283**	**13,000,000**	**13,000,000**	**13,000,000**	**13,000,000**
-Diluted	**50,430,551**	**48,973,777**	**48,521,495**	**34,442,667**	**29,733,457**	**29,733,457**	**29,733,457**
Earnings/ (Loss) Per Share (Rs.)							
- Basic	**7**	**13**	**6**	**19**	**11**	**3**	**(1)**
-Diluted	**6**	**7**	**2**	**7**	**5**	**1**	**-**

1. Earnings per share is calculated in accordance with Accounting Standard 20 'Earning Per Share', issued by the Institute of Chartered Accountants of India

2. The convertible preference shares are anti-dilutive and are ignored in the calculation of diluted earnings per share for the year December 31, 2002.

3. In the Annual General Meeting held on August 17, 2007, the shareholders have consented for issuance of 12 equity shares of face value of Rs 10/- each as bonus shares for every one share held by the equity shareholders of the Company whose name appear in the register of members as on the record date, by capitalisation of Capital Redemptions Reserve and Securities Premium Account. Subsequently, the Board of Directors vide their circular resolution on August 18, 2007 have alloted the said bonus shares. Consequently, the calculation of basic and diluted earnings per share has been adjusted for the increase in number of equity shares outstanding as a result of the issuance of bonus equity shares, for all the periods presented.

ONMOBILE GLOBAL LIMITED
(formerly OnMobile Asia Pacific Private Limited)

Annexure 3 - Restated Cash Flow Statement *(Amount in Rs. Million)*

	For the half year ended Sep 30, 2007	For the year ended March 31, 2007	For the half year ended Sep 30, 2006	For the year ended March 31, 2006	For the year ended March 31, 2005	For the 15 month period ended March 31, 2004	For the year ended December 31, 2002
Net cash generated from operating activities (a)	206.97	355.74	75.11	189.16	86.84	128.91	5.51
Net cash used in investing activities (b)	(548.11)	(1,404.24)	(1,275.45)	(194.72)	(74.89)	(108.10)	1.70
Net cash used in financing activities (c)	265.10	1,182.11	1,295.97	0.03	0.03	-	-
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS (a + b + c)	(76.04)	133.61	95.63	(5.53)	11.98	20.81	7.21
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	205.38	35.70	35.70	41.23	29.25	8.44	1.23
CASH AND CASH EQUIVALENTS OF ITFINTY SOLUTIONS PVT LTD AT THE BEGINNING OF THE YEAR	-	36.07	36.07	-	-	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	129.34	205.38	167.40	35.70	41.23	29.25	8.44

THE ISSUE

Equity Shares offered by:	
Issue	10,900,545 Equity Shares of face value Rs. 10 each
Of which	
Fresh Issue by the Company	8,613,356 Equity Shares of face value Rs. 10 each
Offer for Sale by the Selling Shareholder	2,287,189 Equity Shares of face value Rs. 10 each
Of which	
A) Qualified Institutional Buyers (QIB) portion	At least 6,540,327 Equity Shares of face value of Rs. 10 each
Of which	***(Allocation on a proportionate basis)***
Available for allocation to Mutual Funds only	Up to 327,016 Equity Shares of face value of Rs. 10 each ***(Allocation on a proportionate basis)***
Balance for all QIBs including Mutual Funds	Up to 6,213,311 Equity Shares of face value of Rs. 10 each ***(Allocation on a proportionate basis)***
B) Non-Institutional Portion*	Not less than 1,090,055 Equity Shares of face value of Rs. 10 each
	(Allocation on a proportionate basis)
C) Retail Portion*	Not less than 3,270,164 Equity Shares of face value of Rs. 10 each
	(Allocation on a proportionate basis)
Equity Shares outstanding prior to the Issue	48,792,783 Equity Shares of face value of Rs. 10 each
Equity Shares outstanding after the Issue	57,406,139 Equity Shares of face value of Rs. 10 each
Use of Issue Proceeds	See the section titled "Objects of the Issue" on page 39. Our Company will not receive any proceeds of the Offer for Sale by the Selling Shareholder.

* Under-subscription, if any, in the Retail or Non Institutional Portion would be met with spill over from other categories or combination of categories at the discretion of the Company and the Selling Shareholder in consultation with the BRLMs. For more information, please refer to "Issue Procedure – Basis of Allotment" on page 307.

GENERAL INFORMATION

Our Company was originally incorporated as Onscan Technologies India Private Limited on September 27, 2000. The name of our Company was changed to OnMobile Asia Pacific Private Limited on April 10, 2001 and a fresh certificate of incorporation consequent on change of name was issued by the RoC in this regard. The name of our Company was further changed to OnMobile Global Limited and the status of our Company was changed to a public limited company by a special resolution of the members passed at the annual AGM held on August 17, 2007. The fresh certificate of incorporation consequent to the change of name was granted to our Company on August 21, 2007, by the RoC.

Registered Office

OnMobile Global Limited
26, Bannerghatta Road
J.P.Nagar 3rd Phase
Bangalore 560 076
India
Corporate Identity Number: U64202KA2000PLC027860
Tel: (9180) 41802500
Fax: (9180) 41802810
Email: investors@onmobile.com
Website: www.onmobile.com

The following are the details in relation to shifts of our Registered Office:

From	To	Date of Board Resolution
1003-1004, Prestige Meridian II, 30, M.G.Road, Bangalore 560 001	Pavithra Complex, Site No.1, 1st floor, 2nd Cross, 27th Main, BTM 1st Stage, Bangalore 560 068	July 5, 2004
Pavithra Complex, Site No.1, 1st floor, 2nd Cross, 27th Main, BTM 1st Stage, Bangalore 560 068	No. 26, Bannerghatta Road, J.P. Nagar 3rd Phase, Bangalore 560 076	April 14, 2006

Address of Registrar of Companies

The Registrar of Companies, Bangalore at Karnataka
'E' wing, 2nd floor
Kendriya Sadana
Koramangala,
Bangalore 560 034
India

Board of Directors

Name, Designation, Occupation	Age (In Years)	Address
Arvind Rao Managing Director and CEO Entrepreneur	50	Flat No. 8C, Oyster Building Pilot Bunder Road, Navy Nagar Colaba Mumbai 400 005 India
Chandramouli Janakiraman Chief Technology Officer Software Engineer	39	F-103, Adarsh Residency 47th Cross, Jayanagar, 8th Block Bangalore 560 082 India
H.H. Haight IV Non-executive Director Business	74	25, Beaver Pond Road Beverly MA01915 USA

Name, Designation, Occupation	Age (In Years)	Address
Sridar A. Iyengar Independent Director Service	60	85, Fair Oaks Lane, Atherton CA 94027 USA
Vikram S. Kirloskar Independent Director Industrialist	48	202A, Embassy Place 16, Cunningham Road Bangalore 560 052 India
Naresh K. Malhotra Independent Director Business	60	No.31, 2nd Main, Defence Colony Indiranagar Bangalore 560 038 India
Prof. Jayanth Rama Varma Independent Director Professor	47	318, Indian Institute of Management, Vastrapur, Ahmedabad, Gujarat 380 015 India

For further details of our Directors, see the section titled "Our Management" on page 100.

Company Secretary and Compliance Officer

Srikiran D.
26, Bannerghatta Road
J.P.Nagar 3rd Phase
Bangalore 560 076
Tel: (91 80) 4180 2500
Fax: (91 80) 4180 2810
Email: investors@onmobile.com

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Iissue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account and refund orders.

Book Running Lead Managers

Deutsche Equities India Private Limited
Kodak House, 3rd Floor
222, Dr. D. N. Road
Fort
Mumbai 400 001
India
Tel: (91 22) 6658 4600
Fax: (91 22) 2200 6765
Email: onmobile.ipo@db.com
Website: www.db.com/india
Contact Person: Mr. Sameer Taimni
Registration No.: MB/ INM000010833

ICICI Securities Limited
ICICI Center
HT Parekh Marg
Churchgate
Mumbai 400 020
India
Tel: (91 22) 2288 2460/70
Fax: (91 22) 2282 6580
Email: onmobile_ipo@isecltd.com
Website: www.icicisecurities.com
Contact Person: Mr. Sumanth Rao
Registration No.: INM000011179

Domestic Legal Advisor to the Company

Amarchand & Mangaldas & Suresh A. Shroff & Co.
201, Midford House
Midford Garden (Off M. G. Road)
Bangalore 560 001
India
Tel: (91 80) 2558 4870
Fax: (91 80) 2558 4266

5th Floor, Peninsula Chambers
Peninsula Corporate Park
Ganpatrao Kadam Marg, Lower Parel
Mumbai 400 013
India
Tel: (91 22) 2496 4455
Fax: (91 22) 2496 3666

Legal Advisors to the BRLMs

Legal Advisors as to US Law
Latham & Watkins LLP
9 Raffles Place
#42-02 Republic Plaza
Singapore 048619
Tel: (65) 6536 1161
Fax: (65) 6536 1171

Legal Advisors as to Indian Law
AZB and Partners
AZB House
67-4, 4th Cross, Lavelle Road,
Bangalore 560 001
India
Tel: (91 80) 4115 9999
Fax: (91 80) 2221 3947

Express Towers
23rd Floor,
Nariman Point,
Mumbai 400 021
India
Tel: (91 22) 6639 6880
Fax: (91 22) 6639 6888

Registrar to the Issue

Karvy Computershare Private Limited
Karvy House
46, Avenue 4, Street No. 1
Banjara Hills,
Hyderabad 500 034
India
Tel: (91 40) 2342 0818
Fax: (91 40) 2342 0814
Email: einward.ris@karvy.com
Website: www.kcpl.karvy.com
Contact person: Mr. M. Murali Krishna

Bankers to the Issue and Escrow Collection Banks

Deutsche Bank AG
Kodak House, 222, Dr. D.N. Road,
Fort, Mumbai 400 001
Tel: (91 22) 6658 4000
Fax: (91 22) 2207 6553
Email: shyamal.malhotra@db.com
Website: www.db.com
Contact Person: Mr. Shyamal Malhotra

ICICI Bank Limited
Capital Markets Division
30, Mumbai Samachar Marg
Mumbai 400 001

India
Tel: (91 22) 2262 7600
Fax: (91 22) 2261 1138
Email: venkataraghavan.t@icicibank.com
Website: www.icicibank.com
Contact person: Mr. Venkataraghavan T.A.

Kotak Mahindra Bank Limited
158, CST Road, Dani Corporate Park,
4th Floor, Kalina, Santacruz (E),
Mumbai 400 098
Tel: (91 22) 6759 4850
Fax: (91 22) 6648 2710
Email: ibrahim.sharief@kotak.com/ Mahesh.shekdar@kotak.com
Website: www.kotak.com
Contact Person: Mr. Ibrahim Sharief/ Mr. Mahesh Shekdar

Bankers to the Company

ICICI Bank Limited
ICICI Bank Towers, CIBD, 1st floor
No. 1, Commissariat Road
Bangalore 560 025
Tel: (91 80) 4129 6208
Fax: (91 80) 4112 4604
Email: nirmala.v@icicibank.com
Contact Person: Ms. Nirmala Venkatanarayanan

Citibank N.A.
Citigroup Center, G Block
Plot C-61, Bandra Kurla Complex
Bandra (E)
Mumbai 400 051
Tel: (91 22) 4001 5805
Fax: (91 22) 4006 5852
Email: jatin.merchant@citi.com
Contact Person: Mr. Jatin Merchant

Kotak Mahindra Bank Limited
158, CST Road, Dani Corporate Park
4th Floor, Kalina, Santa Cruz (E)
Mumbai 400 098
Tel: (91 22) 6759 4850, 6659 6216
Fax: (91 22) 6648 2710
Email:ibrahim.sharief@kotak.com/
mahesh.shekdar@kotak.com
Contact Persons: Mr. Ibrahim Sharief/Mr. Mahesh Shekdar

Auditors

Deloitte Haskins & Sells
100/2, Anchorage II
Richmond Road
Bangalore 560 025
Tel: (9180) 6627 6170
Fax: (9180) 6627 6470
Email: vsrikumar@deloitte.com
Contact Person: Mr. Sri Kumar V.

IPO Grading Agency

CRISIL Limited
1061, Solitaire Corporate Park
151, Andheri Kurla Road
Andheri (E)
Mumbai 400 093
Tel: (91 22) 6758 8023
Fax: (91 22) 6758 8088
Email: tvishal@crisil.com
Website: www.crisil.com
Contact Person: Mr. Vishal Thakkar

Monitoring Agency

There is no requirement for a monitoring agency for the Issue in terms of Clause 8.17 of the SEBI Guidelines.

Inter se List of Responsibilities between the Book Running Lead Managers

The responsibilities and co-ordination for various activities in this Issue are as under:

S.No.	Activities	Responsibility	Coordinator
1	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, etc.	DEIPL, ISEC	DEIPL
2	Due diligence of our Company's operations/ management/business plans/ legal etc. Drafting and design of the Red Herring Prospectus and of statutory advertisement including memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing of the same	DEIPL, ISEC	ISEC
3	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (2) above including corporate advertisement, brochure, roadshow presentations, FAQs, corporate films etc.	DEIPL, ISEC	ISEC
4	Appointment of intermediaries viz. Lawyers, Registrar(s), Printers, Advertising Agency and Bankers to the Offer	DEIPL, ISEC	DEIPL
5	Institutional Marketing of the Offer, which will cover, inter alia, • Preparing roadshow presentation and frequently asked questions • Finalising the list and division of investors for one to one meetings; and • Finalising roadshow schedule and investor meeting schedules	DEIPL, ISEC	DEIPL
6	Non-Institutional & Retail Marketing of the Offer, which will cover, inter alia, • Formulating marketing strategies, preparation of publicity budget; • Finalising Media and PR strategy; • Finalising centres for holding conferences for brokers etc.; • Finalising collection centres; and • Follow-up on distribution of publicity and Offer material including form, prospectus and deciding on the	DEIPL, ISEC	ISEC

S.No.	Activities	Responsibility	Coordinator
	quantum of the Offer material		
7	Appointment of Syndicate members	DEIPL, ISEC	ISEC
8	Managing the Book, co-ordination with Stock Exchanges for book building software, bidding terminals and mock trading and finalisation of pricing and institutional allocation in consultation with the Company	DEIPL, ISEC	ISEC
9	The post bidding activities including invoking the underwriting obligations and ensuring that the underwriters pay the amount of devolvement, management of escrow accounts, follow-up with bankers to the issue, coordination non-institutional allocation, intimation of allocation and dispatch of refunds to Bidders etc. The post Offer activities will involve essential follow up steps, which include the finalisation of listing of instruments and dispatch of certificates and demat delivery of shares, with the various agencies connected with the work such as the Registrar to the Offer and Bankers to the Offer and the bank handling refund business. The merchant banker shall be responsible for ensuring that these agencies fulfil their functions and enable it to discharge this responsibility through suitable agreements with the Company	DEIPL, ISEC	DEIPL

Even if many of these activities will be handled by other intermediaries, the designated BRLM shall be responsible for ensuring that these agencies fulfil their functions and enable them to discharge this responsibility through suitable agreements with the Company.

Credit Rating

As this is an Issue of Equity Shares, there is no credit rating for this Issue.

IPO Grading

The Issue has been graded above average and has been assigned a grade of 4/5. The IPO Grading is assigned on a 5 point scale from 1 to 5 with an IPO Grade 5/5 indicating strong fundamentals and an IPO Grade 1/5 indicating poor fundamentals.

Our Company has appointed CRISIL Limited for the IPO Grading vide agreement dated August 14, 2007. This Issue being has been graded by CRISIL Limited as four on five indicating that the fundamentals of the Issue are above average relative to other listed equity securities in India vide letter dated November 2, 2007 and a revalidation letter dated December 24, 2007.

The grading reflects our Company's position as the largest player in the mobile value-added services (VAS) market in India, and its strong presence in the voice portal and ring back tone (RBT) segments of the VAS market. The grading also reflects our Company's ability to leverage on the unique voice recognition capability of its platform as telecom operators in India expand coverage into rural areas, and its ability to offer customer contact products to goods and services companies by virtue of having a voice channel relationship with almost all telecom operators. The grading also factors the management's strong understanding of market dynamics, as reflected in our Company's consistent track record in product innovation, and pro-activeness in setting up a corporate governance system in the company, as indicated by the appointment of independent directors over a year ago. The grading is tempered by the fact that our Company has a low bargaining power with its customers i.e. telecom operators, as it does not brand its products and depends on the operators to take its products to the market. The grading also reflects the anticipated change in our Company's revenue profile, as it opens up its proprietary platform to third parties for applications development. This will cause the business mix to move from the current content cum platform mix to more of the latter.

Trustees

As this is an Issue of Equity Shares, the appointment of Trustees is not required.

Project Appraisal

There is no project being appraised.

Book Building Process

Book building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Issue Price is finalised after the Bid/ Issue Closing Date. The principal parties involved in the Book Building Process are:

1. The Company;

2. The Selling Shareholder;

3. The BRLMs;

4. Registrar to the Issue.

In terms of Rule 19 (2)(b) of the Securities Contract Regulation Rules, 1957 ("**SCRR**"), this being an Issue for less than 25% of the post–Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60 % of the Issue will be allocated on a proportionate basis to Qualified Institutional Buyers ("**QIBs**"), out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

QIBs are not allowed to withdraw their Bids after the Bid/Issue Closing Date. Please refer to the section titled "Terms of the Issue" on page 285.

Our Company and the Selling Shareholder will comply with the SEBI Guidelines and any other ancillary directions issued by SEBI for this Issue. In this regard, our Company and the Selling Shareholder have appointed the BRLMs to manage the Issue and procure subscriptions to the Issue.

While the process of Book Building under the SEBI Guidelines is not new, investors are advised to make their own judgment about investment through this process prior to making a Bid or Application in the Issue.

Illustration of Book Building and Price Discovery Process *(Investors should note that this example is solely for illustrative purposes and is not specific to the Issue)*

Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs. 24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book as shown below shows the demand for the shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., Rs. 22 in the above example. The Issuer, in consultation with the BRLMs, will finalise the issue price at or below such cut-off price, i.e., at or below Rs. 22.

All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for bidding:

1. Check eligibility for making a Bid (see section titled "Issue Procedure - Who Can Bid" on page 291);
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
3. Ensure that you have mentioned your PAN in the Bid cum Application Form (see the section titled "Issue Procedure -'PAN' or 'GIR' Number" on page 303); and
4. Ensure that the Bid cum Application Form is duly completed as per instructions given in the Red Herring Prospectus and in the Bid cum Application Form.

Withdrawal of the Issue

The Company and the Selling Shareholder, in consultation with the BRLMs, reserve the right not to proceed with the Issue at anytime including after the Bid/ Issue Closing Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which the Company shall apply for only after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. Under the SEBI Guidelines, QIBs are not allowed to withdraw their Bids after the Bid/Issue Closing Date.

Bid/Issue Programme

Bidding Period/Issue Period

BID/ISSUE OPENS ON	**JANUARY 24, 2008**
BID/ISSUE CLOSES ON	**JANUARY 29, 2008**

Bids and any revision in Bids shall be accepted **only between 10.00 a.m and 3.00 p.m**. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centers mentioned on the Bid cum Application Form **except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10.00 a.m and 1.00 p.m (Indian Standard Time)** and uploaded till (i) 5.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders where the Bid Amount is in excess of Rs. 100,000 and (ii) till such time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders, where the Bid Amount is up to Rs. 100,000. Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 1.00 p.m (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will only be accepted on working days, i.e., Monday to Friday (excluding any public holiday).

On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Bidders after taking into account the total number of Bids received upto the closure of timings for acceptance of Bid-cum-Application Forms as stated herein and reported by the BRLM to the Stock Exchange within half an hour of such closure.

Our Company and the Selling Shareholder reserve the right to revise the Price Band during the Bidding Period in accordance with the SEBI Guidelines. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band advertised at least one day prior to the Bid /Issue Opening Date.

In case of revision in the Price Band, the Issue Period will be extended for three additional days after revision of the Price Band, subject to the Bidding Period/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding Period/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release, and also by indicating the change on the websites of the BRLMs.

Underwriting Agreement

After the determination of the Issue Price and allocation of our Equity Shares but prior to the filing of the Prospectus with RoC, our Company and the Selling Shareholder will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are subject to certain conditions to closing, as specified therein. The Underwriting Agreement is dated February 1, 2008.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

Details of the Underwriters	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. In Million)
Deutsche Equities India Private Limited DB House Hazarimal Somani Marg, Fort Mumbai 400 001 India Tel: (91 22) 6658 4600 Fax: (91 22) 2200 6765	5,450,273	2,398.12
ICICI Securities Limited ICICI Center HT Parekh Marg Churchgate, Mumbai 400 020 India Tel: (91 22) 2288 2460/70 Fax: (91 22) 2282 6580	5,450,272	2,398.12

The above mentioned is indicative underwriting and this would be finalised after the pricing and actual allocation.

In the opinion of our Board of Directors (based on a certificate given by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). The IPO Committee as authorised by the Board of Directors, vide resolution dated February 1, 2008, has accepted and entered into the Underwriting Agreement mentioned above on behalf of the Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the BRLMs shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the underwriting agreement, will also be required to procure/subscribe to equity shares to the extent of the defaulted amount.

CAPITAL STRUCTURE

The share capital of our Company, before the Issue and after giving effect to the Issue, as of the date of this Prospectus is set forth below:

In Rs (except share data)

		Aggregate Value at nominal value	Aggregate Value at Issue Price
A)	**AUTHORISED SHARE CAPITAL**		
	74,500,000 Equity Shares of Rs. 10 each	745,000,000	
	500,000 Preference Shares of Rs. 10 each	5,000,000	
	Total	**750,000,000**	
B)	**ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL**		
	48,792,783 fully paid up Equity Shares of Rs. 10 each	487,927,830	
C)	**PRESENT ISSUE IN TERMS OF THIS PROSPECTUS**		
	10,900,545 Equity Shares of Rs. 10 each	109,005,450	4,796,239,800
	Which comprises		
	Fresh Issue		
	8,613,356 Equity Shares of Rs. 10 each	86,133,560	3,789,876,640
	Offer for Sale		
	2,287,189 Equity Shares of Rs. 10 each	22,871,890	1,006,363,160
D)	**EQUITY CAPITAL AFTER THE ISSUE***		
	57,406,139 Equity Shares of Rs. 10 each	574,061,390	25,258,701,160
E)	**EQUITY CAPITAL AFTER THE ISSUE (Assuming full exercise of all outstanding options)**		
	60,087,467 Equity Shares of Rs. 10 each	600,874,670	26,438,485,480
F)	**SHARE PREMIUM ACCOUNT**		
	Before the Issue	705,595,466	
	After the Issue	5,392,829,816	

The Issue has been authorised by a resolution of our Board dated July 12, 2007 and by special resolution passed pursuant to Section 81(1A) of the Companies Act, at the AGM of the shareholders of our Company held on August 17, 2007.

a) The initial authorised capital of Rs. 10,000,000 comprising 1,000,000 Equity Shares of Rs. 10 each was increased to Rs. 30,000,000 comprising 1,000,000 Equity Shares of Rs. 10 each amounting to Rs. 10,000,000 and 2,000,000 convertible non-cumulative preference shares of Rs. 10 each amounting to Rs. 20,000,000 pursuant to a resolution of the shareholders at an EGM held on November 27, 2000.

b) The authorised share capital was further increased to Rs. 50,000,000 comprising 3,000,000 Equity Shares of Rs. 10 each amounting to Rs. 30,000,000 and 2,000,000 convertible non-cumulative preference shares of Rs. 10 each amounting to Rs. 20,000,000 pursuant to a resolution of the shareholders at an EGM held on March 5, 2001.

c) The same was re-classified by cancellation of 2,000,000 convertible non-cumulative preference shares of Rs. 10 each amounting to Rs. 20,000,000, increase of Equity Shares to 4,500,000 Equity Shares of Rs.10 each amounting to Rs. 45,000,000 and creation of 500,000 preference shares of Rs. 10 each amounting to Rs. 5,000,000 pursuant to a resolution of the shareholders at an AGM held on July 24, 2006.

d) The authorised share capital was further increased to Rs. 750,000,000 comprising 7,450,000 Equity Shares of Rs. 10 each and 500,000 Preference Shares of Rs. 10 each pursuant to a resolution of the shareholders at an AGM held on August 17, 2007.

The Equity Share capital of our Company after the Issue, assuming full exercise of all outstanding options, under the ESOP Plans, will comprise 60,087,467 Equity Shares. For details see Note 5 of 'Capital Structure – Notes to Capital Structure' on page 23.

Offer for Sale by Selling Shareholder

The Issue comprises an Offer for Sale of 2,287,189 Equity Shares by OMSI. The Equity Shares constituting the Offer for Sale have been held by the Selling Shareholder for a period of more than one year prior to the filing of the Draft Red Herring Prospectus with SEBI.

We have obtained approval from the RBI by letter dated November 14, 2007 for the sale of the Equity Shares by the Selling Shareholder as a part of the Issue to residents.

The board of directors of the Selling Shareholder by way of its resolution dated September 7, 2007 has authorised transfer of Equity Shares pursuant to the Offer for Sale.

Notes to the Capital Structure

1. Share Capital History

(a) Equity Share Capital History:

Date of allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Reasons for allotment	Cumulative No. of Equity Shares	Cumulative Paid-up share capital (Rs.)	Cumulative Share Premium (Rs.)
September 27, 2000	20	10	10	Cash	Subscribers to Memorandum	20	200	Nil
November 2, 2000	244,585	10	10	Cash	Allotment to OMSI	244,605	2,446,050	Nil
November 2, 2000	322,553	10	10	Cash	Allotment to OMSI	567,158	5,671,580	Nil
November 16, 2000	166,079	10	10	Cash	Allotment to OMSI	733,237	7,332,370	Nil
November 30, 2000	131,728	10	10	Cash	Allotment to OMSI	864,965	8,649,650	Nil
December 27, 2000	135,035	10	10	Cash	Allotment to OMSI	1,000,000	10,000,000	Nil
July 24, 2006	5,269	10	10	Cash	Allotment pursuant to exercise of vested options by certain employees	1,005,269	10,052,690	Nil
July 24, 2006	1,287,189	10	NA	NA	Conversion of 0% convertible non-cumulative preference shares held by OMSI into Equity Shares	2,292,458	22,924,580	Nil
August 31, 2006	30,000	10	380	Cash	Allotment pursuant to Investment Agreement [(1)]	2,322,458	23,224,580	11,100,000
December 22, 2006	5,068	10	3,632	Equity shares of ITfinity	Allotment pursuant to agreement with ITfinity[(2)]	2,327,526	23,275,260	29,456,296
January 17, 2007	720,518	10	10	Cash	Allotment pursuant to exercise of vested options by certain employees [(3)]	3,048,044	30,480,440	29,456,296
March 31, 2007	252,163	10	10	Cash	Allotment pursuant to exercise of vested options by certain employees [(4)]	3,300,207	33,002,070	29,456,296
June 1, 2007	19,243	10	3,632	Equity shares of ITfinity	Allotment pursuant to agreement with ITfinity[(5)]	3,319,450	33,194,500	99,154,442
June 1, 2007	11,754	10	3,632	Equity Shares of ITfinity	Allotment pursuant to agreement with ITfinity[(6)]	3,331,204	33,312,040	141,727,430
June 1, 2007	12,676	10	N.A	Conversion	Conversion of optionally convertible preference shares [(7)]	3,343,880	33,438,800	141,727,430

Date of allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Reasons for allotment	Cumulative No. of Equity Shares	Cumulative Paid-up share capital (Rs.)	Cumulative Share Premium (Rs.)
July 12, 2007	23,188	10	10	Cash	Allotment pursuant to exercise of vested options by certain employees [8]	3,367,068	33,670,680	141,727,430
August 17, 2007	353,629	10	N.A	Conversion	Conversion of optionally convertible preference shares[9]	3,720,697	37,206,970	141,727,430
August 18, 2007	44,648,364	10	N.A	Capitalisation of reserves	Bonus Issue in the ratio of 12:1	48,369,061	483,690,610	Nil[10]
September 10, 2007	423,722	10	3,881	Shares of Vox mobili SA	Allotment of shares to the Founders of Vox mobili S.A. [11]	48,792,783	487,927,830	122,260,094

(1) Allotment of 10,000 Equity Shares each to Deutsche Bank AG, Jade Dragon (Mauritius) Limited and Kings Road Investments (Mauritius) Limited, pursuant to Investment Agreement.
(2) Allotment of Equity Shares to Nageswara Rao, Brijesh Gajaria and Vinay Patodia, employees of ITfinity against acquisition of equity shares of ITfinity for an amount of Rs. 18,406,976 pursuant to Share Purchase Agreement dated December 22, 2006.
(3) Includes allotment of 228,000 Equity Shares to Arvind Rao and 176,321 Equity Shares to Chandramouli Janakiraman.
(4) Includes allotment of 181,309 Equity Shares to Arvind Rao.
(5) Allotment of 9,621 Equity Shares to Krishna Jha and 9,622 Equity Shares to Hemant Attray pursuant to approval of scheme of amalgamation and arrangement for acquisition of ITfinity by the order of Karnataka High Court dated March 27, 2007 and order of Bombay High Court dated April 21, 2007.
(6) Allotment of 5, 877 Equity Shares each to Krishna Jha and Hemant Attray, to be kept with the escrow agent. For more details on ITfinity acquisition and subsequent merger see "History and Certain Corporate Matters – Recent Acquisitions and Investments" on page 87.
(7) Conversion of 6,338 optionally convertible preference shares each into Equity Shares by Krishna Jha and Hemant Attray and kept with the escrow agent. For more details on ITfinity acquisition and subsequent merger see "History and Certain Corporate Matters – Recent Acquisitions and Investments" on page 87.
(8) Includes 1,500 Equity Shares to Arvind Rao and 500 Equity Shares to Chandramouli Janakiraman.
(9) Conversion of convertible preference shares to Equity Shares by Deutsche Bank AG, Jade Dragon (Mauritius) Limited and Kings Road Investments (Mauritius) Limited pursuant to Investment Agreement.
(10) Adjusted towards issuance of bonus shares.
(11) Allotment of 32,594 Equity Shares to Nicolas Frattaroli and Eric Vieillevigne at issue price of Rs. 3,881 and additional 391,128 Equity Shares as bonus shares. Amount of Rs. 3,911,280 reduced from the share premium pursuant to the bonus issue.

(b) Preference Share Capital History:

Date of allotment	No. of Preference Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Reasons for allotment	Cumulative No. of Preference Shares	Cumulative Paid-up share capital (Rs.)	Cumulative Share Premium (Rs.)
December 27, 2000	239,211	10	10	Cash	Allotment of 0% convertible non-cumulative preference shares to OMSI	239,211	2,392,110	Nil
February 5, 2001	390,921	10	10	Cash	Allotment of 0% convertible non-cumulative preference shares to OMSI	630,132	6,301,320	Nil
February 22, 2001	631,347	10	10	Cash	Allotment of 0% convertible non-cumulative preference shares to OMSI	1,261,479	12,614,790	Nil
August 6, 2001	25,710	10	10	Cash	Allotment of 0% convertible non-cumulative preference shares to OMSI	1,287,189	12,871,890	Nil

Date of allotment	No. of Preference Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Reasons for allotment	Cumulative No. of Preference Shares	Cumulative Paid-up share capital (Rs.)	Cumulative Share Premium (Rs.)
July 24, 2006	1,287,189	10	NA	NA	Conversion to Equity Shares	Nil	Nil	Nil
August 31, 2006	115,784	10	3632.44	Cash	Allotment pursuant to Investment Agreement (1)	115,784	1,157,840	419,420,592.96*
September 26, 2006	237,845	10	3632.44	Cash	Allotment pursuant to Investment Agreement (1)	353,629	3,536,290	1,281,000,718*
September 26, 2006	-	-	-	-	Adjustment of share issue expense against securities premium for amount Rs. 80,396,948	-	-	1,200,603,770
June 1, 2007	21,774	10	3,632	Equity shares of ITfinity Solutions Private Limited	Allotment pursuant to agreement with ITfinity(2)	375,403	3,754,030	920,953,558
June 1, 2007	(9,098)	10	3,632	Cash	Redemption of optionally convertible preference shares (3)	366,305	3,663,050	888,000,602
June 1, 2007	(12,676)	10	N.A	Equity Shares	Conversion of optionally convertible preference shares into Equity Shares(4)	353,629	3,536,290	888,000,602
July 12, 2007	(353,629)	10	N.A	Equity Shares	Conversion of optionally convertible preference shares into Equity Shares(5)	Nil	Nil	888,000,602
August 18, 2007	-	-	-	-	Adjustment of bonus issue against securities premium for amount of Rs. 304,665,230)	-	-	583,335,372

* Difference in share premium due to rounding off

(1) Allotment of 124,553 convertible preference shares to Deutsche Bank AG, 114,538 convertible preference shares to Jade Dragon (Mauritius) Limited and 114,538 convertible preference shares to Kings Road Investments (Mauritius) Limited, pursuant to Investment Agreement

(2) Allotment of 10,887 optionally convertible preference shares each to Krishna Jha and Hemant Attray and adjustment of goodwill amount of Rs. 358,515,640 on amalgamation as approved by High Court of Karnataka and Bombay.

(3) Redemption of 4,549 optionally convertible preference shares each by Krishna Jha and Hemant Attray by payment of Rs. 3,632 per share in cash.

(4) Conversion of 6,338 optionally convertible preference shares each into Equity Shares by Krishna Jha and Hemant Attray.

(5) Conversion of convertible preference shares to Equity Shares by Deutsche Bank AG, Jade Dragon (Mauritius) Limited and Kings Road Investments (Mauritius) Limited pursuant to the Investment Agreement.

Other than as mentioned in the tables above regarding Equity and Preference Share capital history, we have not made any issue of shares during the preceding one year.

2. Promoters' Contribution and Lock-in

(a) Details of Share Capital Locked in for Three Years

All Equity Shares which are being locked-in are not ineligible for computation of promoters' contribution under Clause 4.6 of the SEBI Guidelines. None of the Equity Shares held by the Promoters are subject to any pledge.

Pursuant to the SEBI Guidelines, an aggregate of 20% of the post issue capital of the Company held by the Promoters shall be locked-in for a period of three years from the date of Allotment in the Issue. The details of such lock-in are given below:

Name	Date of Allotment/ Acquisition and when made fully paid-up	Nature of Allotment	Nature of Consideration (Cash, bonus, kind, etc.)	No. of shares	Face Value (Rs.)	Issue Price/ Purchase Price (Rs.)	Percentage of Post-Issue paid-up capital	Lock-in Period (Years)
OnMobile Systems, Inc.	August 18, 2007	Bonus	Capitalisation of Reserves	12,017,493	10	N.A.	20.0	3

The lock in has been calculated in accordance with para 15.2 of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 2000, with reference to the enlarged capital, i.e., 60,087,467 *Equity Shares which would arise on exercise of all outstanding options(vested and unvested).*

(b) Details of share capital locked in for one year

In terms of clause 4.14.1 of the SEBI Guidelines, in addition to 20% of post-Issue shareholding of the Company, including options outstanding under our ESOP Plans, held by the Promoters and locked-in for three years, as specified above, other than Equity Shares being part of the Offer for Sale in this Issue, our entire pre-Issue equity share capital constituting 36,775,290 Equity Shares will be locked-in for a period of one year from the date of Allotment in this Issue.

In terms of Clause 4.16.1(a) of the SEBI Guidelines, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Clause 4.14 of the SEBI Guidelines, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

Further, in terms of clause 4.16.1(b) of the SEBI Guidelines, Equity Shares held by the Promoters may be transferred to and among the Promoter Group or to a new promoter or persons in control of the Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997, as applicable.

Locked-in Equity Shares held by the Promoters can be pledged with banks or financial institutions as collateral security for loans granted by such banks or financial institutions provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan.

Provided that if the securities are locked in as Promoters Contribution, the same may be pledged only if in addition to fulfilling the above conditions, the loan has been granted by such banks or financial institutions for the purpose of financing one or more of the objects of the instant Issue.

3. Our shareholding pattern

The table below presents our shareholding pattern before the proposed Issue and as adjusted for the Issue, and the Offer for Sale by the Selling Shareholder.

	Pre-Issue		Pre-Issue Post Secondary Sale		Post-Issue	
	No. of shares	%	No. of shares	%	No. of shares	%
Promoters						
OnMobile Systems, Inc.	29,733,197	60.94	27,691,056	56.75	25,403,867	44.25
Arvind Rao	5,340,517	10.95	5,340,517	10.95	5,340,517	9.30
Chandramouli Janakiraman	2,233,673	4.58	2,233,673	4.58	2,233,673	3.89

	Pre-Issue		Pre-Issue Post Secondary Sale		Post-Issue	
	No. of shares	**%**	**No. of shares**	**%**	**No. of shares**	**%**
Chandramouli Janakiraman (on behalf of OMSI)	260	0.00	260	0.00	260	0.00
Sub-Total (A)	*37,307,647*	*76.46*	*35,265,506*	*72.28*	*32,978,317*	*57.45*
Promoter Group						
J. Ramesh	16,250	0.03	16,250	0.03	16,250	0.03
V. Janakiraman	13,000	0.03	13,000	0.03	13,000	0.02
J. Seetha	16,250	0.03	16,250	0.03	16,250	0.03
Sub-Total (B)	*45,500*	0.09	*45,500*	0.09	45,500	*0.08*
Promoter and Promoter Group Sub Total (A+B)	*37,353,147*	*76.55*	*35,311,006*	*72.37*	*33,023,817*	*57.53*
Investors						
Deutsche Bank AG	1,749,189	3.58	1,749,189	3.58	1,749,189	3.05
Jade Dragon (Mauritius) Limited	1,618,994	3.32	1,618,994	3.32	1,618,994	2.82
Kings Road Investments (Mauritius) Limited	1,618,994	3.32	818,994	1.68	818,994	1.43
Quantum (M) Limited	-	-	1,726,849	3.54	1,726,849	3.01
WF India Reconnaissance Fund Limited	-	-	464,705	0.95	464,705	0.81
Bessemer India Capital Holdings II Limited	-	-	464,705	0.95	464,705	0.81
DPF India Opportunities Fund	-	-	185,882	0.38	185,882	0.32
Sub-Total (C)	*4,987,177*	*10.22*		*14.41*	*7,029,318*	*12.24*
Others (including Employees) **(D)	6,452,459	13.22	6,452,459	13.23	6,452,459	11.24
Issue to Public (E)	-	**-**	-	-	10,900,545	18.99
Non-Promoter shareholding Sub Total(C+D+E)	*11,439,636*	*23.45*	*13,481,777*	*27.63*	*24,382,322*	*42.47*
Total (A+B+C+D+E)	**48,792,783.00**	**100.00**	**48,792,783.00**	**100.00**	**57,406,139**	**100.00**

** Includes 24,430 Equity Shares issued to Krishna Jha and Hemant Attray pursuant to the Merger-cum-Share Purchase Agreement dated December 22, 2006 and 293,160 Equity Shares allotted pursuant to bonus issue dated August 18, 2007 (as accrued on the 24,430 Equity Shares) which are kept with an escrow agent. For more details on the ITfinity acquisition and subsequent merger see "History and Certain Corporate Matters – Recent Acquisitions and Investments" on page 87.

For further details on shares held by Promoters and Promoter Group, please refer to note 1 of Notes to the Capital Structure.

For details on the shareholding of our Directors, see the section titled "Our Management" on page 100.

The following directors and key managerial personnel of our Company hold Equity Shares:

	Pre-Issue No. of shares	%	Post-Issue No. of shares	%
Directors				
Arvind Rao	5,340,517	10.95	5,340,517	9.30
Chandramouli Janakiraman	2,233,673	4.58	2,233,673	3.89
Chandramouli Janakiraman (on behalf of OMSI)	260	0.00	260	0.00
Key Managerial Personnel				
Arvind Rao	5,340,517	10.95	5,340,517	9.30
Chandramouli Janakiraman	2,233,933	4.58	2,233,933	3.89
Amit Kumar Dey	466,531	0.96	466,531	0.81
Pratapa P Bernard	421,200	0.86	421,200	0.73
Krishna Jha	283,868	0.58	283,868	0.49
Sandhya Gupta	86,216	0.18	86,216	0.15
Rajiv Kuchhal	40,641	0.08	40,641	0.07
Sandeep Ganguly	39,143	0.08	39,143	0.07
Rajesh Moorti	38,324	0.08	38,324	0.07
Sidharth Sharma	36,348	0.07	36,348	0.06
Rajesh M.V.	36,192	0.07	36,192	0.06
Gaurav Johri	-	0.00	-	0.00
Sanjay Bhambri	-	0.00	-	0.00

The following key managerial personnel of our Subsidiary, Vox mobili S.A. hold Equity Shares:

	Pre-Issue No. of shares	%	Post-Issue No. of shares	%
Nicolas Frattaroli	211,861	0.43	211,861	0.37

4. The list of our top ten shareholders and the number of Equity Shares held by them is provided below:

(a) Our top ten shareholders as on the date of filing this Prospectus are as follows:

S. No.	Shareholder	No. of Equity Shares Held	Percentage
1	OnMobile Systems Inc.	27,691,056	56.75
2	Arvind Rao	5,340,517	10.95
3	Chandramouli Janakiraman	2,233,673	4.58
4	Deustche Bank AG	1,749,189	3.58
5	Quantum (M) Limited	1,726,849	3.54
6	Jade Dragon (Mauritius) Limited	1,618,994	3.32
7	Kings Road Investments (Mauritius) Limited	818,994	1.68
8	Kiran Anandam Pillai	514,150	1.05
9	Amit Kumar Dey	466,531	0.96
10	WF India Reconnaissance Fund Limited	464,705	0.95
	Bessemer India Capital Holdings II Limited	464,705	0.95

(b) Our top ten shareholders ten days prior to filing of this Prospectus are as follows:

S. No.	Shareholder	No. of Equity Shares Held	Percentage
1	OnMobile Systems Inc.	27,691,056	56.75
2	Arvind Rao	5,340,517	10.95
3	Chandramouli Janakiraman	2,233,673	4.58
4	Deustche Bank AG	1,749,189	3.58

S. No.	Shareholder	No. of Equity Shares Held	Percentage
5	Quantum (M) Limited	1,726,849	3.54
6	Jade Dragon (Mauritius) Limited	1,618,994	3.32
7	Kings Road Investments (Mauritius) Limited	818,994	1.68
8	Kiran Anandam Pillai	514,150	1.05
9	Amit Kumar Dey	466,531	0.96
10	WF India Reconnaissance Fund Limited	464,705	0.95
	Bessemer India Capital Holdings II Limited	464,705	0.95

(b) Our shareholders as of two years prior to filing this Prospectus were as follows:

S. No.	Shareholder	No. of Equity Shares Held	Percentage
1	OnMobile Systems, Inc.	999,980	99.99
2	Chandramouli Janakiraman	20*	0.01

* Held on behalf of OMSI

5. Employee stock option plans

We have five employee stock option plans*:

ESOP scheme	Outstanding Options**	Remarks
ESOP Plan I, 2003	1,750,827	Adopted for the benefit of employees eligible under the plan. The total options earmarked were 1,026,000 (Adjusted to 13,338,000 after adjusting for the Bonus issue on August 17, 2007). The plan was approved by the shareholders of our Company at EGM held on November 29, 2003.
ESOP Plan II, 2003	Nil	Adopted for the benefit of employees eligible under the plan. The total options earmarked were 114,000 (adjusted to 1,482,000 after the Bonus issue on August 17, 2007). The plan was approved by the shareholders of our Company at EGM held on November 29, 2003.
ESOP Plan III, 2006	760,851	Adopted for the benefit of employees eligible under the plan. The total options earmarked were 61,567 (adjusted to 774,371 after the Bonus issue on August 17, 2007). The plan was approved by the shareholders of our Company at AGM held on July 24, 2006.
ESOP Plan I, 2007	169,650	Adopted for the benefit of employees eligible under the plan. The total options earmarked were 975,000. The plan was approved by the shareholders of our Company at AGM held on August 17, 2007.
ESOP Plan II, 2007	74,360	Adopted for the benefit of employees eligible under the plan. The total options earmarked were 5,720 (Adjusted to 74,360 after the Bonus issue on August 17, 2007). The plan was approved by the shareholders of our Company at AGM held on August 17, 2007. No grants have been made under this plan.

Note: Arvind Rao and Chandramoulli Janakiraman, our Promoters do not hold any outstanding stock options under any of the ESOP Plans. The options issued under ESOP Plan I 2003 and ESOP Plan II 2003 to the Promoters were issued in compliance with the CBDT circular at such time of issue of options.

* There would be no further grant of options under ESOP Plan I, 2003, ESOP Plan II, 2003 and ESOP Plan III, 2006. All options granted after August 2, 2007 will be granted under ESOP Plan I 2007 and ESOP Plan II 2007. ESOP Plan I 2007 and ESOP Plan II 2007 are in compliance with the SEBI ESOP Guidelines.

**Excludes options forfeited and unissued

Following are the details as required under provisions of the SEBI ESOP Guidelines in relation to the ESOP Plans under which the options have been granted by our Company.

(a) ESOP Plan I, 2003

Particulars	Details
Options granted [1]	13,830,154

Exercise price of options

Fiscal Year/Period	No. of options granted	Exercise Price (In Rs. per option)
2004	9,706,645	10
2006	3,052,595	10
2007	642,915	10
April 1, 2007 to January 31, 2008	427,999	10

Total options vested (including options exercised)

Fiscal Year/Period	No. of options Vested	Cummulative Options Vested
2005	7,405,450	7,405,450
2006	11,88,278	8,593,728
2007	2,671,474	11,265,202
April 1, 2007 to January 31, 2008	766,311	12,031,513

Options exercised

Fiscal Year/Period	No. of options exercised	Cummulative Options exercised
2005	Nil	Nil
2006	68,497	68,497
2007	11,162,853	11,231,350
April 1, 2007 to January 31, 2008	301,444	11,532,794

Total number of equity shares arising as a result of full exercise of options already granted

Fiscal Year/Period	No. of options resulting in equity shares	Cummulative Options resulting in equity shares
2005	Nil	Nil
2006	34,853	34,853
2007	11,196,497	11,231,350
April 1, 2007 to January 31, 2008	301,444	11,532,794

Options forfeited/ lapsed/ cancelled	546,533
Variations in terms of options	There was a clarificatory amendment to the ESOP Plan I and Plan II, 2003 provided in July 24, 2006 by the Shareholders of the Company such that the Vesting Schedule under the ESOP Plans I and II, 2003 shall be as follows: (i) of all the Stock Options granted to the Optionee for the first time under the Plan(s), 25% of such Options shall be deemed to vest at the end of twelve (12) months from the date of employment or engagement of the Optionee and remaining 75% of such Options shall be deemed to vest from the 13th month from the date of employment or engagement of the Optionee at a rate of 1/36th per month for the next thirty six (36) months of the Vesting Period; AND (ii) of all the Stock Options granted to the Optionee, other than a Founder Director of the Company, to whom Options have already been granted once or more than once under the Plan, 25% of such Options shall be deemed to vest at the end of twelve (12) months from the date of such Grant and the remaining 75% of such Options shall be deemed to vest from the 13th month from the date of such Grant at a rate of 1/36th per month for the next thirty six (36) months of the Vesting Period.

Money realised by exercise of options (in Rs.)

Fiscal Year/Period	Money realized by exercise of options	Cummulative Money realized by exercise of options
2005	Nil	Nil
2006	52,690	52,690
2007	8,586,810	8,639,500

Particulars	Details		
	April 1, 2007 to January 31, 2008	231,880	8,871,380
Options outstanding (in force)	1,750,827 (includes 498,719Vested and Unexercised)		

Fiscal Year/Period	No. of outstanding options
2005	9,188,595
2006	12,302,888
2007	1,691,469
April 1, 2007 to January 31, 2008	1,750,827

Person wise details of options granted to

i) Directors and key managerial employees [2]: 7,978,230

ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year

Fiscal 2003:

Name of employee	No. of options granted	% of options granted
Arvind Rao	2,964,000	30.54%
Chandramouli Janakiraman	2,132,325	21.97%
Kiran Anandampillai	546,000	5.63 %

Fiscal 2006:

Name of employee	No. of options granted	% of options granted
Arvind Rao	875,017	28.66%

Fiscal 2007:

Name of employee	No. of options granted	% of options granted
Rajiv Kuchhal	195,000	30.33%
Rajesh Moorti	123,500	19.21%

April 1, 2007 to January 31, 2008:

Name of employee	No. of options granted	% of options granted
Rajesh Moorti	32,760	7.65%
Rajesh MV	22,750	5.32%
Sidharth Sharma	26,000	6.07%
Sumit Sardana	38,675	9.04%
Biswajit Nandi	45,500	10.63%
Sandeep Ganguly	65,000	15.19%

iii) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant

Fiscal 2003:

Name of employee	No. of options granted	% of options granted
Arvind Rao	2,964,000	9.97%
Chandramouli Janakiraman	2,132,325	7.17%
Kiran Anandampillai	546,000	1.84%
Amit Kumar Dey	421,200	1.42%
Pratapa P Bernard	421,200	1.42%
Raghavendra Varma	373,880	1.26%
Christy George	357,500	1.20%

Fiscal 2006:

Name of employee	No. of options granted	% of options granted
Arvind Rao	875,017	2.94%

Fully diluted EPS on a pre-issue basis (for six month period ended September 30, 2007)	5
Vesting schedule	A. In case of the options granted for the first time:

Particulars	Details
	i. 25% of the aggregate options granted to the Optionee shall vest at the end of 12 months from the date of joining. ii. the remaining 75% of the aggregate Options shall vest from the 13th month (from the date of joining) at a rate of 1/36th per month for the next 36 months of the vesting period. B. In case of the options granted to an Optionee, other than a founder director, for a second or subsequent time: i. 25% of the aggregate options granted to the Optionee shall vest at the end of 12 months from the date of grant of the options. ii. the remaining 75% of the aggregate Options shall vest from the 13th month after the date of grant of the options at a rate of 1/36th per month for the next 36 months of the vesting period.
Lock-in	None
Impact on profits and EPS of the last three years	Nil

(1) Includes 493,805 forfeited options which have been re-granted and excludes 52,728 (adjusted after the Bonus issue on August 17, 2007) forfeited options which have not been re-granted.

(2) Details regarding options granted to our Directors and our key managerial employees (subsequent to adjustment for Bonus issue) are set forth below:

Name of director/ Key Managerial Personnel	No. of options granted	No. of options exercised	No. of options outstanding
Arvind Rao	3,858,517	3,858,517	Nil
Chandramouli Janakiraman	2,298,673	2,298,673	Nil
Amit Kumar Dey	557,050	466,531	90,519
Pratapa P. Bernard	426,920	421,200	5,720
Rajiv Kuchal	195,000	56,641	138,359
Sandhya Gupta	151,060	86,216	64,844
Rajesh Moorti	156,260	38,324	117,936
Rajesh M.V.	78,000	36,192	41,808
Sidharth Sharma	84,500	36,348	48,152
Sandeep Ganguly	130,000	39,143	90,857
Gaurav Johri	22,750	Nil	22,750
Sanjay Bhambri	19,500	Nil	19,500

(b) ESOP Plan II, 2003

Particulars	Details
Options granted[$]	1,482,000
Exercise price of options	Fiscal Year: 2006; No. of options granted: 1,482,000; Exercise Price (Rs.): 10
Total options vested (includes options exercised)	1,482,000
Options exercised	1,482,000
Total number of equity shares arising as a result of full exercise of options already granted	1,482,000
Options forfeited/ lapsed/ cancelled	Nil
Variations in terms of options	There was a clarificatory amendment to the ESOP Plan I and Plan II, 2003 provided in July 24, 2006 by the Shareholders of the Company such that the Vesting Schedule under the ESOP Plans I and II, 2003 shall be as follows: (i) of all the Stock Options granted to the Optionee for the first time under the Plan(s), 25% of such Options shall be deemed to vest at the end of twelve (12) months from the date of employment or engagement of the Optionee and remaining 75% of such Options shall be deemed to vest from the 13th month from the date of employment or engagement of the Optionee at a rate of 1/36th per month for the next thirty six (36) months of the Vesting Period; AND (ii) of all the Stock Options granted to the Optionee, other than a

Particulars	Details
	Founder Director of the Company, to whom Options have already been granted once or more than once under the Plan, 25% of such Options shall be deemed to vest at the end of twelve (12) months from the date of such Grant and the remaining 75% of such Options shall be deemed to vest from the 13th month from the date of such Grant at a rate of 1/36th per month for the next thirty six (36) months of the Vesting Period.
Money realised by exercise of options (in Rs.)	1,140,000
Options outstanding (in force)	Nil
Person wise details of options granted to	
i) Directors and key managerial personnel*	1,482,000
ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Nil
iii) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	**Name of employee** / **No. of options granted** / **% of options granted**: Arvind Rao / 1,482,000 / 4.98%
Fully diluted EPS on a pre-issue basis (for period ended September 30, 2007)	5
Vesting schedule	A. In case of the options granted for the first time: i. 25% of the aggregate options granted to the Optionee shall vest at the end of 12 months from the date of joining. ii. the remaining 75% of the aggregate Options shall vest from the 13th month (from the date of joining) at a rate of 1/36th per month for the next 36 months of the vesting period. B. In case of the options granted to an Optionee, other than a founder director, for a second or subsequent time: i. 25% of the aggregate options granted to the Optionee shall vest at the end of 12 months from the date of grant of the options. ii. the remaining 75% of the aggregate Options shall vest from the 13th month after the date of grant of the options at a rate of 1/36th per month for the next 36 months of the vesting period.
Lock-in	None
Impact on profits and EPS of the last three years	Nil

$ All grants were made in fiscal 2006.

* Details regarding options granted to our Directors and our key managerial employees (subsequent to Bonus adjustment under ESOP Plan II, 2003) are set forth below:

Name of director/ Key Managerial Personnel	No. of options granted	No. of options exercised	No. of options outstanding
Arvind Rao	1,482,000	1,482,000	Nil

(c) ESOP Plan III, 2006

Particulars	Details
Options granted$	774,371
Exercise price of options	**No. of options** / **Exercise Price (Rs.**: April 1, 2007 to January 31, / 130,000 / 2,735

Particulars	Details	
	to January 31, 2008	
	April 1, 2007 to January 31, 2008	644,371 3,400
Total options vested (includes options exercised)	93,348	
Options exercised	Nil	
Total number of equity shares arising as a result of full exercise of options already granted	Nil	
Options forfeited/ lapsed/ cancelled	13,520	
Variations in terms of options	Nil	
Money realised by exercise of options	Nil	
Options outstanding (in force)	760,851 (includes 93,348 vested and unexercised)	
Person wise details of options granted to		
i) Directors and key managerial personnel*	150,800	
ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Nil	
iii) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil	
Fully diluted EPS on a pre-issue basis (for period ended September 30, 2007)	5.0	
Vesting schedule	A. In case of the options granted for the first time: i. 25% of the aggregate options granted to the Optionee shall vest at the end of 12 months from the date of joining. ii. the remaining 75% of the aggregate Options shall vest from the 13th month (from the date of joining) at a rate of 1/36th per month for the next 36 months of the vesting period. B. In case of the options granted to an Optionee, other than a founder director, for a second or subsequent time: i. 25% of the aggregate options granted to the Optionee shall vest at the end of 12 months from the date of grant of the options. ii. the remaining 75% of the aggregate Options shall vest from the 13th month after the date of grant of the options at a rate of 1/36th per month for the next 36 months of the vesting period.	
Lock-in	None	
Impact on profits and EPS of the last three years	For fiscals 2007, 2006 and 2005 – Nil For period ended September 30, 2007 – Rs. 0.17million	

[$] All grants were made between April 1, 2007 to January 31, 2008.

* Details regarding options granted to our Directors and our key managerial employees are set forth below: (subsequent to adjustment for Bonus issue under ESOP Plan III, 2006)

Name of director/ Key Managerial Personnel	No. of options granted	No. of options exercised	No. of options outstanding (includes vested and unvested)
Sridar A Iyengar	26,000	Nil	26,000
Prof Jayanth R Varma	26,000	Nil	26,000
Naresh Malhotra	26,000	Nil	26,000

Name of director/ Key Managerial Personnel	No. of options granted	No. of options exercised	No. of options outstanding (includes vested and unvested)
Vikram Kirloskar	26,000	Nil	26,000
HH Haight	26,000	Nil	26,000
Sanjay Bhambri	20,800	Nil	20,800

(d) ESOP Plan I, 2007

Particulars	Details
Options granted[$]	169,650
Exercise price of options	

	No. of options granted	Exercise Price (Rs. Per option)
April 1, 2007 to January 31, 2008	169,650	3,400

Total options vested (includes options exercised)	169,650
Options exercised	Nil
Total number of equity shares arising as a result of full exercise of options already granted	Nil
Options forfeited/ lapsed/ cancelled	Nil
Variations in terms of options	Nil
Money realised by exercise of options	Nil
Options outstanding (in force)	169,650 (includes Nil vested and unexercised)
Person wise details of options granted to	
i) Directors and key managerial personnel*	Nil
ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Nil
iii) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil
Fully diluted EPS on a pre-issue basis (for period ended September 30, 2007)	5
Vesting schedule	25% of the aggregate options granted to the optionee shall vest at the end of 12 months from the date of joining. The remaining 75% of the aggregate options shall vest from the 13th month (from the date of joining) at a rate of 1/36th per month for the next 36 months of the vesting period.
Lock-in	None
Impact on profits and EPS of the last three years	For fiscals 2007, 2006 and 2005 – Nil For six month period ended September 30, 2007 – Nil

Our directors and the key management personnel who have been granted options and Equity Shares on the exercise of the options pursuant to the ESOP Plans have confirmed to us that they do not intend to sell any shares arising from such options for three months after the date of listing of the Equity Shares in this Issue. Other employees holding Equity Shares at the time of listing of Equity Shares and Equity Shares on exercise of vested options may sell equity shares within the three month period after the listing of the Equity Shares. This disclosure is made in accordance with para 15.3 (b) and 15.3 (c) of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 2000.

In relation to disclosures under para 12.1(l) of the SEBI ESOP Guidelines, our Company has obtained legal opinion that the guidance note on 'Accounting for Employees Share based payments' ("**Guidance**

Note") is not applicable to ESOP Plan I, 2003 and ESOP Plan II, 2003. Options granted in terms of ESOP Plan, III 2006, to which the Guidance Note is applicable, are accounted under intrinsic value method and accordingly, the difference between the fair value of the underlying shares and the exercise price, if any, is charged to profit and loss account over the period of vesting.

If our Company had accounted for the options using the fair value method, amortizing the stock compensation expense thereon over the vesting period, the reported profit and the basic and diluted EPS for the given period would have been lower than computation as per intrinsic value method, as given below:

Particulars	Financial Year ended				
	March 31, 2004	March 31, 2005	March 31, 2006	March 31, 2007	September 30, 2007
Profits (In Rs. Million)	0.80	0.44	543.93	159.45	89.87
EPS (In Rs)					
- Basic	0.06	0.03	41.84	5.99	2.02
-Diluted	0.03	0.01	15.79	3.26	1.78

The fair value of stock based awards to employees is calculated through the use of option pricing models, requiring subjective assumptions which greatly affect the calculated values. The said fair value of the options have been calculated using Black-Scholes option pricing model, considering the fair value of equity shares based on valuation report issued within six months before / after the grant date and other assumptions as listed below. Our Company's calculations are based on a single option valuation approach, and forfeitures are recognized as they occur. The expected volatility is based on historical volatility in the comparable industry during the year after eliminating the abnormal price fluctuations.

Particulars	Grants on		
	December 3, 2003	September 5, 2005 to September 6, 2006	October 2006 onwards
Expected term of the options (In years)	4.7	4.7	4.7
Expected dividend rate on the underlying equity shares	1%	1%	1%
Volatility in the share price	51%	60%	41%
Risk Free rate	7%	7%	8%

6. OMSI has sold 2,042,141 Equity Shares of the Company and Kings Road Investments (Mauritius) Limited has sold 800,000 Equity Shares of the Company at a price of Rs. 425 per Equity Share (the "**Secondary Sale**"). For details see "History and Certain Corporate Matters – Shareholders' Agreement and other Material Agreements - Agreements for the Secondary Sale" on page 93. OMSI has engaged Deutsche Bank AG, Hong Kong, an affiliate of Deutsche Equities India Private Limited (a BRLM), as the sole lead arranger in connection with the Secondary Sale. All investors acquiring Equity Shars through the Secondary Sale from OMSI and Kings Road Investments (Mauritius) Limited will be subject to a lock-in expiring one year from the date of Allotment in the Issue.

7. One of the shareholders of our Company, Deutsche Bank AG, which is an affiliate of Deutsche Equities India Private Limited, one of the Book Running Lead Managers in the Issue, currently owns 3.58% of the Company's outstanding Equity Shares.

   Deutsche Bank AG, Hong Kong Branch, acted as the sole lead arranger for OnMobile Systems, Inc. and Kings Road Investments (Mauritius) Ltd. as selling shareholders in connection with the sale by them of the Company's equity shares owned by them as Secondary Sale.

8. Our Company, the Promoters, the Directors and the BRLMs have not entered into any buy-back and/or standby arrangements for the purchase of Equity Shares from any person.

9. In case of over-subscription in the Issue, at least 60% of the Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers, not less than 10% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less 30% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. From the existing QIB Portion, 5% of the QIB Portion shall be available for allocation to Mutual Funds. Mutual Funds participating in the 5% share in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. Under-subscription, if any, in the Retail or Non Institutional Portion would be met with spill over from other categories or combination of categories at the discretion of the Company and the Selling Shareholder in consultation with the BRLMs. For more information, please refer to "Issue Procedure – Basis of Allotment" on page 307.

10. Under-subscription, if any, in the Retail or Non Institutional Portion would be met with spill over from other categories or combination of categories at the discretion of the Company and the Selling Shareholder in consultation with the BRLMs.

11. Except allotment of equity shares pursuant to the bonus issue and allotment of equity shares pursuant to exercise of stock option under the ESOPs and except as stated herein below, the Directors, the Promoters, the Promoter Group or directors of the Promoters have not purchased or sold any securities of our Company, during a period of six months preceding the date of filing this Red Herring Prospectus with SEBI.

The table below sets forth the details of Equity Shares that have been purchased or sold by Promoters and Promoter Group during the period of six months preceding the date on which the Prospectus was filed with SEBI:

Transferor	Transferee	Date of Transfer	Number of Equity Shares	Price at which shares purchased by the transferee (Rs. per share)	Nature of consideration
Chandramouli Janakiraman	J. Ramesh	August 24, 2007	16,250	10	Cash
Chandramouli Janakiraman	V. Janakiraman	August 24, 2007	13,000	10	Cash
Chandramouli Janakiraman	R. Lalitha	August 24, 2007	13,000	10	Cash
Chandramouli Janakiraman	Venkatraman Iyer	August 24, 2007	3,000	10	Cash
Chandramouli Janakiraman	J. Seetha	August 24, 2007	16,250	10	Cash
Chandramouli Janakiraman	Chand Kaul	August 24, 2007	3,500	10	Cash
OnMobile Systems, Inc.	Quantum (M) Limited	January 02, 2008	1,726,849	425	Cash
OnMobile Systems, Inc.	DPF India Opportunities Fund	January 02, 2008	185,882	425	Cash
OnMobile Systems, Inc.	WF India Reconnaissance Fund Limited	January 02, 2008	129,410	425	Cash

12. An investor cannot make a Bid for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

13. Except as disclosed in this Prospectus, there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Prospectus with SEBI until the Equity Shares to be issued pursuant to the Issue have been listed.

14. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

15. As on the date of this Prospectus, the total number of holders of Equity Shares was 278, excluding holders of the options outstanding.

16. We have not raised any bridge loans against the proceeds of the Issue.

17. Except as disclosed in this Prospectus, we have not issued any Equity Shares out of revaluation reserves or for consideration other than cash except for the bonus equity shares issued out of free reserves.

18. Other than options granted under the ESOP Plans as detailed in the note above, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into the Equity Shares.

19. The Equity Shares held by the Promoters are not subject to any pledge.

20. An oversubscription to the extent of 10% of the Issue can be retained for the purpose of rounding off while finalising the basis of Allotment.

21. We presently do not intend or propose to alter our capital structure for a period of six months from the Bid/ Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise, except that we may allot further Equity Shares to our employees under our ESOP Plans. Additionally, if we enter into acquisitions or joint ventures, we may, subject to necessary approvals, consider using our Equity Shares as currency for such acquisitions or joint ventures and we may enter into or may raise additional capital to fund accelerated growth.

22. Our Promoter and members of our Promoter Group will not participate in this Issue.

OBJECTS OF THE ISSUE

The objects of the Issue are to:

- purchase equipment for our Company's offices at Bangalore, Mumbai and Delhi and various customer sites;
- meet working capital requirements;
- repayment of loan;
- fund expenditure for general corporate purposes; and
- achieve the benefits of listing.

The main object clause of the Memorandum of Association and objects incidental to the main objects enable our Company to undertake the existing activities. The activities proposed to be undertaken by our Company out of the funds raised in the present Issue fall within the main objects clause of the Memorandum of Association.

The Issue consists of a Fresh Issue of 8,613,356 Equity Shares and an Offer for Sale of 2,287,189 Equity Shares by the Selling Shareholder. The Company will not receive any proceeds from the Offer for Sale.

Expenses relating to the Issue, including underwriting and management fees, selling commission and other expenses will be borne by our Company and the Selling Shareholder in proportion to the Equity Shares contributed to the Issue.

We intend to utilise the proceeds of the Fresh Issue, after deducting our share of the underwriting and management fees, selling commissions and other expenses associated with the Issue which is estimated at Rs. 3,544.54 ("**Net Proceeds**") for financing the above mentioned objects.

The details of the utilisation of Net Proceeds will be as per the table set forth below:

(In Rs. Million)

S. No.	Expenditure Items	Total cost to be financed from the Net Proceeds (in Rs. Million)	Estimated Net Proceeds utilisation as on March 31,		
			2009	2010	2011
1.	Purchase equipment for our offices at Bangalore, Mumbai and Delhi and various customer sites	1,805.21	555.21	600.00	650.00
2.	Working capital requirements	50.00	50.00	-	-
3.	Repayment of loan	350.00	350.00	-	-
4.	General corporate purposes	1,339.33	535.73	535.73	267.87
	Total	**3,544.54**	**1,490.94**	**1,135.73**	**917.87**

Our Company has not incurred any expenditure in relation to the above stated objects.

Our Company's funding requirement and deployment are based on internal management estimates, vendor quotations and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances, or costs or changes in our financial condition, business or strategy. In case of variations in the actual utilisation of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be through our internal accruals and debt.

Our Company operates in a highly competitive, dynamic market environment, and may have to revise our estimates from time to time on account of new initiatives that it may pursue including any potential acquisition opportunities. Consequently, our Company's funding requirements may also change accordingly. Any such change in our Company's plans may require rescheduling of its expenditure programs, at the discretion of our management. In case of any shortfall or cost overruns, our Company intends to meet our estimated expenditure from the internal accruals and debt.

Details of the Objects

Purchase equipment for our offices at Bangalore, Mumbai and Delhi and various customer sites

In order to develop and launch innovative applications to further penetrate our existing customer base as well as new markets, we continuously need to develop new services, such as our mobile commerce and mobile marketing and media solutions portfolio. In order to achieve these strategy we need to expand our capacity by training and retaining highly skilled application development engineers and technical personnel, business development experts and well-qualified and experienced senior management and sales team members, and by purchasing equipment for the such personnel.

We currently operate from the following facilities/ offices in India:

Location	Primary Purpose	Area (in square feet)	Lease Expiration Date/owned property
Bannerghatta Road	Registered office	61,722	February 10, 2011
JP Nagar III Phase, Bangalore	Administration and support services	13,535	January 31, 2012
Military Road, Marol, Andheri, Mumbai	Mobile Data Products	3,700	August 13, 2011
Nariman Point, Mumbai	Sales	1,570	June 30, 2010
Makwana Road, Marol, Andheri (East), Mumbai	Mobile Data Products	2,450	July 21, 2008
M.G. Road, Gurgaon, Haryana	Sales	1,559	August 28, 2010
Begur Hobli, J.P. Nagar, VII Phase, Bangalore	Administration, support services and business operations	76,523	July 31, 2012
Bhikaji Cama Place, Delhi	Sales	1,481	August 31, 2008
501&502, Sumer Plaza, Village Marol, Mumbai	Mobile data products division and sales division	7,985	Owned property

We estimate to incur a total expenditure of approximately Rs. 1,800 million towards purchase of new equipment which includes costs for procurement of hardware and the software to be installed. The estimates for the aforesaid costs are based on quotations received from Digicom Systems (Bir) Private Limited dated September 5, 2007, Dell India Private Limited dated September 5, 2007 and HCOM Pte. Ltd. dated September 4, 2007.

The details of costs of the hardware and software required for setting up the offices are:

Description of Items	Quantity	Price (in Rs. million)
HP Compaq Proliant BL 460C Blade servers	1,616	357.72
HP Compaq Proliant Blade Enclosures	101	49.61
42U Closed Rack 19” 600w /1000d with	325	40.48
HP Laptop 6715S with Vista	600	22.78
Dlink 24 port keystone patch panel	1,154	5.13
Tyco 15mts MRJ-21 Patch chord with connector	1,750	25.63
Tyco 7mts MRJ-21 Patch chord with connector	80	0.971
TX 4000/20/4-Links/Full Stack	1,000	62.28
CG 6565/32-2L/8TE, Media Resource Board	1,950	182.52
Software for TX 4000/20/4-Links/Full Stack	1,000	145.20
Natural Access Software for CG 6565-8E1	1,950	425.88
6 connector H.100 cable 5”	800	1.60
AL-D430V –Dell Latitude D430 (vista)	1,500	153.69
AO-745cMTV –Dell OptiPlex 745c Minitower (vista)	6,000	331.72
TOTAL		**1,805.21**

Working capital requirements

Our existing working capital requirements and the funding for the same is as follows:

In Rs. Million

Particulars	March 31, 2007	September 30, 2007	March 31, 2008
	Audited	Audited	Estimates
Total Current Assets	822.32	1142.72	910.00*

Other Current liabilities (other than bank borrowing)	341.99	651.68	510.00*
Working Capital Gap	480.33	491.05	400.00
Less: Bank Finance**	0	300.00	350.00
Requirement	480.33	191.05	50.00
Aproximately			50.00

** Advance Tax and Income Tax provision are set off against each other.*

*** Our Company has been sanctioned a working capital loan of up to Rs 350 million from Kotak Mahindra Bank to meet the working capital requirements of our Company at an interest rate of 10.75-11% p.a. The facility has been secured by way of a first pari passu charge on all the existing and future movable fixed assets and current assets of our Company in favour of the bank. For further details see "Financial Indebtedness" on page 262.*

Assumptions for Working Capital Requirements

Particulars	Number of days outstanding
Sundry Debtors	Previous quarter sales
Other Current Assets	-
Current Liabilities	90 days

Repayment of Loan

We have obtained a sanction letter dated August 7, 2007 whereby Kotak Mahindra Bank has sanctioned various facilities such as term loan, working capital demand loan, cash credit, bank guarantee, letter of credit (inland and foreign) for capital expenditure. Pursuant to the sanction letter, our Company entered into a Master Facility Agreement dated August 27, 2007 and a supplemental agreement thereto dated September 5, 2007 for availing working capital demand loan and term loan. According to the terms of the agreements, the loan facilities shall be reviewed or renewed on an on-going basis.

Our Company vide letters dated September 5, 2007, November 13, 2007, November 19, 2007, November 21, 2007, November 26, 2007, December 1, 2007, December 5, 2007 and December 12, 2007 issued to Kotak Mahindra Bank requested for a draw down of a total amount of Rs. 350 million as working capital demand loan for 90 days.

We intend to renew the loan after the expiry of the repayment period in order to utilise the Net Proceeds of the Issue to repay the loan. We propose to repay the entire amount of the loan of Rs. 350 million during fiscal 2008. The details of the loan that we propose to repay are as set forth below:

S. No.	Name of the Lender	Purpose of the loan	Date of the Sanction Letter and the Master Facility Agreement	Proposed Repayment during Fiscal 2008 (Rs. Million)
1.	Kotak Mahindra Bank Limited	Working capital	August 7, 2007 and August 27, 2007, amended on September 5, 2007, respectively	350

For details see "Financial Indebtedness" on page 262.

General Corporate Purposes

Our Company, in accordance with the policies set up by the Board, will have flexibility in applying the remaining Net Proceeds of this Issue, for general corporate purposes towards acquisitions of companies in India or abroad, expansion of existing or new office facilities and strategic initiatives.

The management of our Company, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our Company's funding requirement and deployment of funds may also change. This may also include rescheduling the proposed utilisation of Net Proceeds and increasing or decreasing expenditure for a particular object vis-à-vis the utilisation of Net Proceeds. In case of a shortfall in the Net Proceeds of the Issue, the management may explore a range of options including utilising our internal accruals or seeking debt from future lenders. The management expects that such alternate arrangements would be available to fund any such shortfall.

Issue Related Expenses

The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The Issue expenses, except the listing fee, shall be shared between our Company and the Selling Shareholder in the proportion to number of Equity Shares sold to the public as part of the Issue. The listing fees will be paid by our Company.

The estimated Issue expenses are as follows:

Activity	Expenses * (Rs. in million)	% of Issue size	% of Issue expenses
Lead management fee and underwriting commissions	113.70	3.00	46.00
Advertising and Marketing expenses	45.20	1.00	18.00
Printing and stationery	40.77	1.00	17.00
IPO Grading fee	1.97	0.00	1.00
Registrar's fee	2.68	0.00	1.00
Others (legal fee, etc.)	41.04	1.00	17.00
TOTAL	**245.34**	**6.00**	**100.00**

Means of Finance

The stated objects of the issue are proposed to be financed entirely out of the proceeds of this Issue.

Interim use of funds

Pending utilisation for the purposes described above, our Company intends to invest the funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks, for the necessary duration. The Net Proceeds will not be invested in equity capital markets.

Monitoring Utilisation of Funds

The Board or a committee of the Board will monitor the utilisation of the Net Proceeds. Our Company will disclose the details of the utilisation of the Net Proceeds, including interim use, under a separate head in the financial statements of our Company for fiscal 2008, fiscal 2009 and fiscal 2010, specifying the purpose for which such proceeds have been utilised or otherwise disclosed as per the disclosure requirements of our listing agreements with the Stock Exchanges and in particular Clause 49 of the Listing Agreement.

Except for proceeds from the Offer for Sale by the Selling Shareholder, no part of the proceeds from the Issue will be paid by our Company as consideration to the Promoters, the Directors, the Promoter Group and key managerial employees, except in the normal course of business. The Proceeds of the Offer for Sale less the Issue Expenses will accrue to the Selling Shareholder.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the BRLMs and the Selling Shareholder on the basis of assessment of market demand for the issued/offered Equity Shares by the Book Building Process. The face value of the Equity Shares is Rs.10 and the Issue Price is 44 times the face value.

Qualitative Factors

We believe that the following business strengths allow us to compete successfully in the mobile VAS industry:

- **Significant market share in India's fast growing telecommunications value added services market**:

According to data from the Telecom Regulatory Authority of India, our customers including leading telecommunication carriers such as Bharti, BSNL, Idea, Reliance, TTSL and Vodafone Essar, have 23.1%, 17.3%, 8.7%, 17.2%, 9.4% and 16.6%, respectively, of the market share of the total wireless subscribers as of June 2007. As of September 30, 2007, based on the subscriber figures for our carrier customers, we had a market reach of approximately 95% of India's telecommunications subscribers through our carrier customers, based on information obtained from publicly available sources such as COAI and TRAI.

- **Long-term customer relationships and breadth and depth of our products and services**:

Our customer relationships are developed through our long-term partnership contracts and revenue sharing agreements. Through our development of innovative products that generate revenues for our customers we have become integral to the growth plans of our customers. Our infrastructure and software is deeply embedded in our customers' hardware and software systems including their billing, provisioning, service management, customer care and other core network systems. Due to this and the fact that we offer our customers end-to-end turnkey solutions we have established long-term customer relationships.

- **Proven track record of operational expertise in bringing innovative and commercial products to market, and an established base of operational telecommunication products and solutions**:

We have a proven track record of creating, developing and successfully launching innovative product applications such as Indian vernacular languages for our voice portal and audio streaming ringback tones solutions. In addition we have and will continue to invest resources in research and development in order to keep creating new applications and solutions and to upgrade or improve our existing ones.

- **Experienced management and core engineering teams**:

Our senior management team has an average of over 15 years of experience in the telecommunications and technology industries and have previous work experience at well established companies such as Infosys, Ericsson India Private Limited, Nokia India Private Limited, IBM, Hughes Escorts Communication Limited and Samsung Corporation. Our senior management team has experience in all aspects of our business and has transformed us from a small start-up into our current status as a leading provider of telecommunications value added products and services in India.

Quantitative Factors

1. Earning Per Share (EPS)* (Of face value of Rs.10 each)

Year	Basic EPS (Rs)	Diluted EPS (Rs)	Weight
FY 2005	11	5	1
FY 2006	19	7	2
FY 2007	13	7	3
Weighted Average	**14.7**	**6.7**	

* EPS has been calculated as the ratio of Consolidated Net Profit attributable to Equity Shareholders as restated and the weighted average number of equity shares outstanding during the year.

2. Price/Earning (P/E) ratio in relation to Issue Price of Rs. 440

- Based on basic EPS for the 12 months ended March 31, 2007, the P/E ratio is 33.85.
- Based on the basic EPS for the 12 months ended March 31, 2006, the P/E ratio is 23.15.
- Based on the basic EPS for the 12 months ended March 31, 2005, the P/E ratio is 40.

3. Return on Net Worth (RoNW)

Year	RoNW (%)	Weight
FY 2005	71%	1
FY 2006	55%	2
FY 2007	21%	3
Weighted Average	**41%**	

*RoNW has been calculated as the ratio of Net profit after tax as restated to Net Worth excluding revaluation reserve at the end of the year, where:

a) Net Profit after tax is the Net Profit after tax and preference dividend (as per the consolidated restated financials) attributable to the equity shareholders; and
b) Net worth is the equity shareholders fund (Net worth as per consolidated restated financials, minus, minority interest).

4. Minimum return on increased Net Worth required to maintain pre-Issue consolidated EPS of Rs. 13is 11.59%.

5. Net Asset Value per Equity Share

Period	NAV per share (Rs)#
As on March 31, 2005	185
As on March 31, 2006	433
As on March 31, 2007	497

As per consolidated restated financials

6. Comparison of Accounting Ratios with industry peers

The Company is in the business of providing telecommunications value added services. There are no comparable listed companies in India. Hence, comparison with industry peers is not applicable.

7. The face value of Equity Shares of the Company is Rs.10 and the Issue Price is 44 times of the Face Value

The Issue Price of Rs. 440 has been determined by the Company in consultation with the Selling Shareholder and BRLMs, on the basis of assessment of market demand for the Equity Shares by way of Book Building and is justified on the basis of the above factors. The BRLMs believe that the Issue Price of Rs. 440 is justified in view of the above qualitative and quantitative parameters. See the section titled "Risk Factors" on page xi and the financials of the Company including important profitability and return ratios, as set out in the Auditors Report on page 123 to have a more informed view.

We believe that there are no special tax benefits available to us

STATEMENT OF POSSIBLE GENERAL TAX BENEFITS AVAILABLE TO ONMOBILE GLOBAL LIMITED AND TO ITS SHAREHOLDERS

UNDER THE INCOME TAX ACT, 1961 (the IT Act)

I. GENERAL TAX BENEFITS AVAILABLE TO THE COMPANY

OnMobile Global Limited (herein referred to as 'OGL') is an Indian Company, subject to tax in India. OGL is taxed on its profits. Profits are computed after allowing all reasonable business expenditure including depreciation. Up to Financial Year 2005-06 OGL has not claimed any special tax holiday benefits.

Considering the activities and the business of OGL, the following benefits may be available to OGL.

1 The benefit of claiming weighted deduction of 150% of the operating and capital expenses (except land and building) incurred on Research and Development is available under Section 35(2AB), if the Company complies with the procedures required for obtaining such benefits and obtaining of approval from the Department of Industrial and Scientific Research (DSIR).

2 Section 10A claim - The Company has the option to obtain a deduction of the profits and gains as are derived from the export of articles or things or computer software.

The above benefits are subject to OGL satisfying the conditions required under the Act.

3 The company will be entitled to amortize preliminary expenses being the expenditure incurred on public issue of shares, under Section 35D(2)(c)(iv) of the Act, subject to the limit specified in Section 35D(3).

4 In case the income tax payable under the normal provisions of the IT Act is less than 10% of the book profits of the Company, then such book profit would be deemed to be the total income of the Company for that year and minimum alternate tax (MAT) payable on such total income would be at the rate of 10% plus applicable surcharge and education cess.

5 Under Section 115JAA(1A) of the Act, credit is allowed in respect of any MAT paid under Section 115JB of the Act for any assessment year commencing on or after April 1, 2006. Tax credit eligible to be carried forward will be the difference between MAT paid and the tax computed as per the normal provisions of the Act for that assessment year. Such MAT credit is allowed to be carried forward for set off purposes for up to 7 years succeeding the year in which the MAT credit is allowed.

Dividend Income

1 Under Section 10 (33) of the Income Tax Act, 1961, any income arising from the transfer of a capital asset, being a unit of the Unit Scheme, 1964 referred to in Schedule I to the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 (58 of 2002) and where the transfer of such asset takes place on or after the 1st day of April 2002 is exempt.

2 As per the provisions of Section 10(34) of the IT Act, any income by way of dividends referred to in Section 115 – O (i.e. dividends declared, distributed or paid on or after 1 April, 2003) received from domestic company is exempt from income-tax.

3 As per Section 10(35) of the Act, the following income will be exempt in the hands of the Company:

   a. Income received in respect of the units of a Mutual Fund specified under clause (23D) of Section 10; or
   b. Income received in respect of units from the Administrator of the specified undertaking; or
   c. Income received in respect of units from the specified company:

However, this exemption does not apply to any income arising from transfer of such units by the unit holder.

For this purpose (i) "Administrator" means the Administrator as referred to in Section 2(a) of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 and (ii) "Specified Company" means a Company as referred to in Section 2(h) of the said Act.

Capital Gains

1 As per Section 10(38) of the Act, Long term capital gains arising to the company on transfer of long term capital asset being an equity share in a company or a unit of an equity oriented fund will be exempt in the hands of the Company, provided such transaction is chargeable to securities transaction tax.

For this purpose, "Equity Oriented Fund" means a fund –

a. where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and
b. which has been set up under a scheme of a Mutual Fund specified under Section 10(23D) of the Act.

The Long Term Capital gains exempt under Section 10(38) would be liable to book profit tax under Section 115JB of the Act.

2 As per Section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under Section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a "long term specified asset" within a period of 6 months after the date of such transfer. If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

"Long term specified asset" for the purpose of making investment under Section 54EC of the Act, means any bond, redeemable after three years and issued on or after the 1st day of April 2007:

a. by the National Highways Authority of India constituted under Section 3 of the National Highways Authority of India Act, 1988 or;
b. by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

The investment in the Long Term Specified Asset made by the Company on or after April 1, 2007 during the financial year should not exceed 50 lakhs rupees.

3 As per Section 111A of the Act, short term capital gains arising to the Company from the sale of equity share or a unit of an equity oriented fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 10% (plus applicable surcharge and education cess).Short Term Capital Gains arising from transfer of Shares in a Company, other than those covered by Section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

- Short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year.
- Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.

4 Under Second Proviso to Section 48 of the Income Tax Act, 1961, the long term capital gains of the Company arising on transfer of capital assets other than bonds and debentures (not being capital indexed bonds) will be computed after indexing the cost of acquisition, cost of improvement and Long Term Capital Gains would be charged at a rate of 20% as per Section 112 of the Income Tax Act plus applicable surcharge and education cess. Alternatively, at the option of the company, in respect of Long term capital gains from the sale of listed securities or units or zero coupon bonds where the tax payable in respect of any such long term capital gains

exceeds 10% of the amount of capital gains arrived at without indexing the cost, the capital gains is charged at a concessional rate of 10% plus applicable surcharge and education cess.

5 In case any part of the business of the Company consists of purchase and sale of shares of other companies, then provisions of the explanation to Section 73 may be attracted.

II. GENERAL TAX BENEFITS AVAILABLE TO RESIDENT SHAREHOLDERS

1. As per the provisions of Section 10(34) of the IT Act, any income by way of dividends referred to in Section 115 – O (i.e. dividends declared, distributed or paid on or after 1 April, 2003) received from domestic company is exempt from income tax in the hands of shareholder.

2. As per the provisions of Section 10 (38) of the IT Act, long term capital gains arising on sale of equity shares in the Company would be exempt from tax where the sale transaction has been entered into on recognized stock exchange of India and is liable to securities transaction tax.

3. As per the provisions of Section 111A of the IT Act, short-term capital gains from the sale of an equity share of the Company would be taxable at a rate of 10 percent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax. Short Term Capital Gains arising from transfer of Shares in a Company, other than those covered by Section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

4. Under Second Proviso to Section 48 of the Income Tax Act, 1961, the long term capital gains of the shareholder arising on transfer of capital assets other than bonds and debentures (not being capital indexed bonds) will be computed after indexing the cost of acquisition, cost of improvement and Long Term Capital Gains would be charged at a rate of 20% as per Section 112 of the Income Tax Act plus applicable surcharge and education cess. Alternatively, at the option of the shareholder, in respect of long term capital gains from the sale of listed securities or units or zero coupon bonds where the tax payable in respect of any such long term capital gains exceeds 10% of the amount of capital gains arrived at without indexing the cost, the capital gains is charged at a concessional rate of 10% plus applicable surcharge and education cess.

5. As per the provisions of Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (which are not exempt under Section 10(38) of the IT Act) would be exempt from tax to the extent such capital gains are invested in long term specified assets within 6 months from the date of such transfer in the bonds issued by:

   a. National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988:
   b. Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956;

   If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion into money takes place. The investment in the Long Term Specified Asset made by the Shareholder on or after April 1, 2007 during the financial year should not exceed 50 lakhs rupees.

   The cost of the long term specified assets, which has been considered under this Section for calculating capital gain, shall not be allowed as a deduction from the Income Tax under Section 80C for any assessment year beginning on or after 1 April, 2006.

6. As per the provisions of Section 54F of the IT Act and subject to the conditions specified therein, long-term capital gains(which are not exempt under Section 10(38) of the IT Act) arising to an individual or a Hindu Undivided Family ("HUF") on transfer of shares of the Company will be exempt from capital gains tax if the sale proceeds from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

7. Section 88E provides that where the total income of a person includes income chargeable under the head "Profits and gains of business or profession" arising from purchase or sale of an equity share of a company entered into in a recognized stock exchange, i.e., from taxable securities transaction, he shall get rebate equal to the securities transaction tax paid by him in the course of his business. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax on such income. As such, no deduction will be allowed in computing the income chargeable to tax as capital gains, such amount on account of securities transaction tax.

8. Where the resident shareholder is a corporate assessee, then, to the extent its business consists of purchase and sale of shares of other companies, then provisions of Explanation to Section 73 may be attracted.

III. GENERAL TAX BENEFITS AVAILABLE TO NON-RESIDENTS/ NON-RESIDENT INDIAN SHAREHOLDERS (OTHER THAN MUTUAL FUNDS, FIIs AND FOREIGN VENTURE CAPITAL INVESTORS)

1. As per the provisions of Section 10(34) of the IT Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April, 2003) received on the shares of any company is exempted from the tax and are not subjected to any deduction of tax at source.

2. As per the provisions of Section 10(38) of the IT Act, long-term capital gains arising on transfer of equity shares in the Company would be exempt from tax provided the transaction of sale has been entered through a recognized stock exchange and such transaction is chargeable to securities transaction tax.

3. In terms of the first proviso to Section 48 of the IT Act, in case of a non-resident, while computing the capital gains arising from transfer of shares in or debentures of the company acquired in convertible foreign exchange (as per exchange control regulations) protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case. The Capital gains/loss in such a case is computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer into same foreign currency which was utilized in the purchase of shares.

4. As per the provisions of Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (which are not exempt under Section 10(38) of the IT Act) would not be chargeable to tax to the extent such capital gains are invested in long term specified assets within 6 months from the date of transfer and held for a period of 3 years, from the date of acquisition, in bonds issued by:

   a. National Highway Authority of India constituted under Section 3 of the National Highway Authority of India Act, 1988;
   b. Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956;

   If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion into money takes place. The investment in the Long Term Specified Asset made by the Shareholder on or after April 1, 2007 during the financial year should not exceed 50 lakhs rupees

   The cost of long term specified assets, which has been considered under this Section for calculating capital gain, shall not be allowed as a deduction from the Income Tax under Section 80C for any assessment year beginning on or after 1 April, 2006.

5. As per the provisions of Section 54F of the IT Act and subject to the conditions specified therein, long-term capital gains (which are not exempt under Section 10(38) of the IT Act) arising to an individual or a Hindu Undivided Family ('HUF') on transfer of shares of the Company will be exempt from capital gains tax if the sale proceeds from such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

6. Under Section 111A of the IT Act, short-term capital gains arising from sale of an equity share in the Company would be taxable at a concessional rate of 10 percent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax. Short Term Capital Gains arising from transfer of Shares in a Company, other than those covered by Section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

7. Under Second Proviso to Section 48 of the Income Tax Act, 1961, the long term capital gains of the shareholder arising on transfer of capital assets other than shares in or debentures of an Indian Company referred to in the first proviso to Section 48 will be computed after indexing the cost of acquisition, cost of improvement and Long term capital gains would be charged at a rate of 20% as per Section 112 of the Income Tax Act plus applicable surcharge and education cess. Alternatively, at the option of the shareholder, in respect of Long term capital gains from the sale of listed securities or units or zero coupon bonds where the tax payable in respect of any such long term capital gains exceeds 10% of the amount of capital gains arrived at without indexing the cost, the capital gains is charged at a concessional rate of 10% plus applicable surcharge and education cess.

8. As per Section 90(2) of the IT Act, provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the Non-Resident/ Non-Resident Indian would prevail over the provisions of the IT Act to the extent they are more beneficial to the Non-Resident/ Non-Resident Indian.

9. Section 88E provides that where the total income of a person includes income chargeable under the head "Profits and gains of business or profession" arising from purchase or sale of an equity share in a company entered into in a recognized stock exchange, i.e. from taxable securities transactions. He shall get rebate equal to the securities transaction tax paid by him in the course of his business. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax. As such, no deduction will be allowed in computing the income chargeable to tax as capital Gains, such amount paid on account of securities transaction tax.

10. Where shares of the Company have been subscribed in convertible foreign exchange, Non-Resident Indians (i.e. an individual being a citizen of India or person of Indian origin who is not a resident) have the option of being governed by the provisions of Chapter XII – A of the IT Act, which inter alia entitles them to the following benefits:

    a. As per the provisions of Section 115E of the Income Tax Act, 1961, and subject to the conditions specified therein, long-term capital Gains arising on the transfer of Company's shares will be charged to Income Tax @ 10% (plus applicable surcharge and education cess).

    b. Under Section 115F of the IT Act, long-term capital gains arising to a Non-Resident Indian from transfer of shares of the Company, subscribed in convertible foreign exchange, shall be exempt from income tax, if the entire net consideration is reinvested in specified assets, as defined in Section 115C of the IT Act / saving certificates referred to in clause 10(4B) of the Act, within 6 months of the date of transfer. Where only a part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets/ saving certificates are transferred or converted within 3 years from the date of their acquisition.

    c. Under Section 115G of the IT Act, it shall not be necessary for a Non-Resident Indian to furnish his return of income if the only source of income is investment income or long term capital gains or both, arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax has been deducted at source from such income as per the provisions of Chapter XVII – B of the IT Act.

    d. Under Section 115I of the IT Act, a Non-Resident Indian may elect not to be governed by the foregoing provisions for any assessment year by furnishing his return of income for that assessment year under Section 139 of the IT Act, declaring therein that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the IT Act.

IV. GENERAL TAX BENEFITS AVAILABLE TO MUTUAL FUNDS

As per Section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India will be exempt from income tax, subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf.

V. GENERAL TAX BENEFITS AVAILABLE TO FOREIGN INSTITUTIONAL INVESTORS ('FIIs')

1. As per the provisions of Section 10(34) of the IT Act, dividend income (referred to in Section 115-0 of the IT Act) would be exempt from tax in the hands of the shareholders of the Company and are not subjected to deduction of tax at source.

2. As per the provisions of Section 10(38) of the IT Act, long term capital gains arising on transfer of equity shares of the Company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to securities transaction tax.

3. As per the provisions of Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (which are not exempt under Section 10(38) of the IT Act) would not be chargeable to tax to the extent such capital gains are invested in long term specified assets within 6 months from the date of transfer and held for a period of 3 years, from the date of acquisition, in bonds issued by:

   a. National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;
   b. Rural Electrification Corporation Limited, the company formed and registered under the Companies Act,1956;

   If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion into money takes place. The investment in the Long Term Specified Asset made by the Shareholder on or after April 1, 2007 during the financial year should not exceed 50 lakhs rupees

4. Section 88E provides that where the total income of a person includes income chargeable under the head "Profits and gains of business or profession" arising from purchase or sale of an equity share in a company entered into in a recognized stock exchange, i.e. from taxable securities transactions. He shall get rebate equal to the securities transaction tax paid by him in the course of his business. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax. As such, no deduction will be allowed in computing the income chargeable to tax as capital Gains, such amount paid on account of securities transaction tax.

5. Where the Foreign Institutional investor is a corporate assessee, then, to the extent its business consists of purchase and sale of shares of other companies, then provisions of Explanation to Section 73 may be attracted.

6. As per the provisions of Section 115AD of the IT Act, income (other than income by way of dividends referred to in Section 115 O of the IT Act) of FIIs arising from securities (other than the units purchased in foreign currency referred to Section 115AB of the IT Act) would be taxed at concessional rates, as follows:

Nature of income	Rate of tax (%)
Income in respect of securities	20
Long term capital gains	10
Short term capital gains (Other than short term capital gain referred to in Section 111A)	30

The above tax rates would by increased by the applicable surcharge and education cess. The benefits of indexation and foreign currency fluctuation protection as provided under Section 48 of the IT Act are not available.

As per the provisions of Section 111A of the IT Act, short-term capital gains arising from transfer of equity share in the Company would be taxable at a concessional rate of 10 percent (plus applicable surcharge and education cess) where such transaction of sale is liable to securities transaction tax.

7. As per Section 90(2) of the IT Act, provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the FII would prevail over the provisions of the IT Act to the extent they are more beneficial to the FII.

VI. GENERAL TAX BENEFITS AVAILABLE TO VENTURE CAPITAL COMPANIES / FUNDS

As per Section 10(23FB) of the Act, all Venture Capital Companies / Funds registered with the Securities and Exchange Board of India, subject to the conditions specified, are eligible for exemption from income tax on their entire income, including income from sale of shares of the company. However, income received by a person out of investment made in a venture capital company or in a venture capital fund will shall be chargeable to tax in the hands of such person.

UNDER THE WEALTH TAX ACT, 1957

Assets as defined under Section 2(ea) of the Wealth tax Act, 1957 does not include shares in companies and hence, shares of the Company held by the shareholders would not be liable to wealth tax.

UNDER THE GIFT- TAX ACT

Gift tax is not leviable in respect if any gifts made on or after 1st October, 1998. Therefore, any gift of shares of the Company will not attract Gift tax.

Notes:

a. *The above statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.*

b. *The above statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.*

c. *Legislation, its judicial interpretations and the policies of the regulatory authorities are subject to change from time to time, and these may have a bearing on the above. Accordingly, any change or amendment in the law or relevant regulations would necessitate a review of the above. Unless specifically requested, we have no responsibility to carry out any review of our comments for changes in laws or regulations occurring after the date of issue of this note.*

d. *This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.*

e. *In respect on non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.*

f. *The statement of possible tax benefits enumerated above is as per the Income Tax Act, 1961 as amended by the Finance Act 2007.*

Our views expressed herein are based on the facts and assumptions indicated by you. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. The views are exclusively for the use of Onmobile Global Limited. Deloitte Haskins & Sells, India shall not be liable to Onmobile Global Limited for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally

judicially determined to have resulted primarily from bad faith or intentional misconduct. Deloitte Haskins & Sells will not be liable to any other person in respect of this statement.

For Deloitte Haskins and Sells

V Srikumar
Partner
Membership No. 84494

TAXATION

U.S. Federal Income Taxation

TO COMPLY WITH U.S. INTERNAL REVENUE SERVICE CIRCULAR 230, PROSPECTIVE INVESTORS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES CONTAINED OR REFERRED TO IN THIS PROSPECTUS IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY PROSPECTIVE INVESTORS, FOR THE PURPOSES OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THEM UNDER THE U.S. INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS BEING USED IN CONNECTION WITH THE PROMOTION OR MARKETING BY US OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) PROSPECTIVE INVESTORS SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

The following discussion describes certain material U.S. federal income tax consequences to U.S. Holders (as defined below) under present law of an investment in the Equity Shares. This summary applies only to U.S. Holders that hold the Equity Shares as capital assets and that have the U.S. Dollar as their functional currency. This discussion is based on the tax laws of the United States in effect as of the date of this prospectus and on U.S. Treasury regulations in effect or, in some cases, proposed, as of the date of this prospectus, as well as judicial and administrative interpretations thereof available on or before such date. All of the foregoing authorities are subject to change, which change could apply retroactively and could affect the tax consequences described below.

The following discussion does not address the tax consequences to any particular investor or to persons in special tax situations such as:

- banks;
- financial institutions;
- insurance companies;
- regulated investment companies;
- real estate investment trusts;
- broker dealers;
- non-U.S. Holders (as defined below);
- U.S. expatriates;
- traders that elect to mark to market;
- tax-exempt entities;
- persons liable for the alternative minimum tax;
- persons holding Equity Shares as part of a straddle, hedging, conversion or integrated transaction;
- persons that actually or constructively own 10% or more of our voting stock;
- persons who acquired Equity Shares pursuant to the exercise of any employee share option or otherwise as compensation; or
- persons holding Equity Shares through partnerships or other pass-through entities.

In particular, it is noted that we are a "controlled foreign corporation," or CFC, for U.S. federal income tax purposes for our current taxable year ending on March 31, 2008, and therefore, if you are a U.S. Holder owning 10% or more of our voting stock directly, indirectly and/or under applicable attribution rules, the U.S. federal income tax consequences to you of owning our Equity Shares may be significantly different from those described below in several respects. If you own 10% or more of our voting stock directly, indirectly and/or under applicable attribution rules, you should consult your tax advisor regarding the U.S. federal income tax consequences of your investment in our Equity Shares.

PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE APPLICATION OF THE U.S. FEDERAL TAX RULES TO THEIR PARTICULAR CIRCUMSTANCES

AS WELL AS THE STATE, LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF EQUITY SHARES.

As used in this discussion, a "U.S. Holder" is any beneficial owner of Equity Shares who is treated for U.S. federal income tax purposes as:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) organized under the laws of the United States, any State thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust that (1) is subject to the primary supervision of a court within the United States and the control of one or more U.S. persons for all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

A "non-U.S. Holder" is any beneficial owner of Equity Shares who is not a U.S. Holder for U.S. federal income tax purposes.

If you are a partner in a partnership (or other entity taxable as a partnership for U.S. federal income tax purposes) that holds Equity Shares, your tax treatment will generally depend on your status and the activities of the partnership.

Taxation of Dividends and Other Distributions on the Equity Shares

Subject to the passive foreign investment company rules discussed below, the gross amount of distributions made by us to you with respect to the Equity Shares (including the amount of any taxes withheld therefrom), other than certain *pro rata* distributions of Equity Shares or rights to acquire Equity Shares, will generally be includable in your gross income in the year received as foreign source dividend income, but only to the extent that the distributions are paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). To the extent, if any, that the amount of the distribution exceeds our current and accumulated earnings and profits, it will be treated first as a tax-free return of your tax basis in your Equity Shares, and to the extent the amount of the distribution exceeds your tax basis, the excess will be taxed as capital gain. However, we do not intend to calculate our earnings and profits under U.S. federal income tax principles. Therefore, you should expect that a distribution will generally be treated as a dividend even if that distribution would otherwise be treated as a non-taxable return of capital or as capital gain under the rules described above. The dividends will not be eligible for the dividends-received deduction allowed to corporations in respect of dividends received from other U.S. corporations.

Subject to applicable limitations, with respect to non-corporate U.S. Holders (including individual U.S. Holders) for taxable years beginning before January 1, 2011, dividends will generally be taxed at the lower capital gains rate applicable to qualified dividend income, provided that (1) we are not a passive foreign investment company (as discussed below) for either our taxable year in which the dividend is paid or the preceding taxable year, (2) certain holding period requirements are met, and (3) we are eligible for the benefits of the Convention Between the Government of the United States of America and the Government of the Republic of India for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income. Non-corporate U.S. Holders should consult their tax advisors regarding the availability of the lower rate for dividends paid with respect to our Equity Shares.

The amount of any distribution paid in Rupees will be equal to the U.S. Dollar value of such Rupees on the date such distribution is received by you, regardless of whether the payment is in fact converted into U.S. Dollars at that time. Gain or loss, if any, realized on the sale or other disposition of such Rupees will generally be U.S. source ordinary income or loss. The amount of any distribution of property other than cash will be the fair market value of such property on the date of distribution.

If the dividends are taxed as qualified dividend income (as discussed above), the amount of the dividend taken into account for purposes of calculating the foreign tax credit limitation will generally be limited to the gross amount of the dividend, multiplied by the reduced rate divided by the highest rate of tax normally applicable to dividends. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, dividends distributed by us with respect to Equity Shares will generally constitute "passive category income" but could, in the case of certain U.S. Holders, constitute "general category income." A U.S.

Holder will not be able to claim a U.S. foreign tax credit for any Indian taxes for which we are liable and must pay as a result of any distribution on Equity Shares. The rules relating to the determination of the U.S. foreign tax credit are complex and U.S. Holders should consult their tax advisors to determine whether and to what extent a credit would be available in their particular circumstances.

Taxation of Dispositions of Equity Shares

Subject to the passive foreign investment company rules discussed below, you will generally recognize taxable gain or loss on any sale or other taxable disposition of an Equity Share equal to the difference between the amount realized (in U.S. Dollars) for the Equity Share and your tax basis (in U.S. Dollars) in the Equity Share. Your tax basis in the Equity Share will generally equal the U.S. Dollar value of the cost of such Equity Share. The gain or loss will generally be capital gain or loss. If you are a non-corporate U.S. Holder (including an individual U.S. Holder) who has held the Equity Share for more than one year, the gain on a disposition of the Equity Share will generally be eligible for reduced tax rates. The deductibility of capital losses is subject to limitations. Any such gain or loss that you recognize will generally be treated as U.S. source income or loss for foreign tax credit limitation purposes.

Because capital gains on a disposition of an Equity Share will generally be treated as U.S. source gain, as a result of the U.S. foreign tax credit limitation, any Indian income tax imposed upon capital gains in respect of Equity Shares may not be currently creditable. U.S. Holders should consult their tax advisors regarding the application of Indian taxes to a disposition of an Equity Share and their ability to credit an Indian tax against their U.S. federal income tax liability.

Passive Foreign Investment Company

A non-U.S. corporation is considered to be a "passive foreign investment company," or PFIC, for any taxable year if either:

- under the PFIC income test, at least 75% of its gross income is passive income, or
- under the PFIC asset test, at least 50% of the value of its assets (based on an average of the quarterly values of the assets during a taxable year) is attributable to assets that produce or are held for the production of passive income.

We will be treated as owning our proportionate share of the assets and earning our proportionate share of the income of any other corporation in which we own, directly or indirectly, 25% or more (by value) of the stock.

Based on our current and anticipated operations and the composition of our assets, we do not expect to be a PFIC in our future taxable years, although we can make no assurances in this regard. However, it is possible that we will be a PFIC in our current taxable year ending on March 31, 2008, which could result in adverse U.S. federal income tax consequences to U.S. Holders, although we do not expect to be a PFIC for our current taxable year if we make a certain election for U.S. federal income tax purposes in connection with our acquisition of Vox mobili. The application of the PFIC asset test in respect of our current taxable year is uncertain because we currently are a CFC and the application of the PFIC asset test to a CFC in respect of its taxable year in which it becomes publicly traded after its first quarter is not clear.

If a CFC is a "publicly traded corporation" for the taxable year, the PFIC asset test is applied based on the value of its assets. Otherwise, the PFIC asset test for a CFC is applied based on the adjusted tax bases of its assets as determined for the purposes of computing earnings and profits under U.S. federal income tax principles. In both cases, the determination is made on the basis of a quarterly average. It is not clear, however, how the PFIC asset test should be applied to a CFC in respect of its taxable year in which it becomes a publicly traded corporation after the first quarter. We will be a CFC for our current taxable year ending on March 31, 2008, and while it is not free from doubt because the definition of "publicly traded" for purposes of the PFIC asset test is not clear in our context, we expect to become a publicly traded corporation sometime during our third quarter. As a result, it is not clear how the PFIC asset test will apply to us in respect of our current taxable year. If the PFIC asset test must be applied entirely based on the adjusted tax bases of our assets during our current taxable year (the least favorable interpretation of the PFIC asset test), it is possible that we will be a PFIC in respect of our current taxable year, although we do not expect to be a PFIC for our current taxable year if we make a certain election for U.S. federal income tax purposes in connection with our acquisition of Vox mobili. However, if a more favorable interpretation of the PFIC asset test can be applied (for example, if the value of our assets can be used for this purpose for at least

the quarters during which our Equity Shares are publicly traded), we believe that we would not be a PFIC in respect of our current taxable year.

It may be reasonable for U.S. Holders to adopt a more favorable interpretation of the PFIC asset test for purposes of determining and reporting the U.S. federal income tax consequences of their investment in the Equity Shares, although U.S. Holders should consult their own tax advisors regarding the reasonableness of this position. U.S. Holders also should note that the U.S. Internal Revenue Service, or IRS, could seek to apply the least favorable interpretation of the PFIC asset test.

If we are a PFIC for any taxable year during which you hold Equity Shares, you will be subject to special tax rules with respect to any "excess distribution" that you receive and any gain you realize from a sale or other disposition (including a pledge) of the Equity Shares, unless you make an applicable election as discussed below. Distributions you receive in a taxable year that are greater than 125% of the average annual distributions you received during the shorter of the three preceding taxable years or your holding period for the Equity Shares will be treated as an excess distribution. Under these special tax rules:

- the excess distribution or gain will be allocated ratably over your holding period for the Equity Shares,
- the amount allocated to the current taxable year, and any taxable year prior to the first taxable year in which we became a PFIC, will be treated as ordinary income, and
- the amount allocated to each other year will be subject to tax at the highest tax rate in effect for that year and the interest charge generally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

The tax liability for amounts allocated to years prior to the year of disposition or excess distribution cannot be offset by any net operating losses for such years, and gains (but not losses) realized on the sale of the Equity Shares cannot be treated as capital, even if you hold the Equity Shares as capital assets.

If we are a PFIC, to the extent any of our subsidiaries are also PFICs, you may be deemed to own shares in such lower-tier PFICs that are directly or indirectly owned by us in that proportion which the value of the Equity Shares you own so bears to the value of all of our Equity Shares, and may be subject to the adverse tax consequences described above with respect to the shares of such lower-tier PFICs that you would be deemed to own. You should consult your tax advisor regarding the application of the PFIC rules to any of our subsidiaries.

A U.S. Holder of marketable stock (as defined below) in a PFIC may make a "mark-to-market" election with respect to such stock to elect out of the tax treatment discussed above. If you make a valid mark-to-market election with respect to your Equity Shares, you will include in gross income for a taxable year an amount equal to the excess, if any, of the fair market value of the Equity Shares as of the close of such taxable year over your adjusted basis in such Equity Shares. You are allowed a deduction for the excess, if any, of the adjusted basis of the Equity Shares over their fair market value as of the close of the taxable year. However, deductions are allowable only to the extent of any net mark-to-market gains on the Equity Shares included in your income for prior taxable years. Amounts included in your income under a mark-to-market election, as well as gain on the actual sale or other disposition of the Equity Shares, are treated as ordinary income. Ordinary loss treatment also applies to the deductible portion of any mark-to-market loss on the Equity Shares, as well as to any loss realized on the actual sale or disposition of the Equity Shares, to the extent that the amount of such loss does not exceed the net mark-to-market gains previously included for such Equity Shares. Your basis in the Equity Shares will be adjusted to reflect any such income or loss amounts. If you make a valid mark-to-market election, the tax rules that apply to distributions by corporations that are not PFICs generally would apply to distributions by us, except that the lower applicable capital gains rate with respect to qualified dividend income discussed above under "—Taxation of Dividends and Other Distributions on the Equity Shares" generally would not apply.

The mark-to-market election is available only for "marketable stock," which is stock that is traded in other than *de minimis* quantities on at least 15 days during each calendar quarter on a qualified exchange or other market, as defined in the applicable U.S. Treasury regulations. We expect that the Equity Shares will be listed on the BSE and NSE. Under applicable U.S. Treasury regulations, a "qualified exchange" includes a foreign exchange that is regulated by a governmental authority in the jurisdiction in which the exchange is located and in respect of which certain other requirements are met. Because a mark-to-market election cannot be made for equity interests in lower-tier PFICs that we own, a U.S. Holder may continue to be subject to the PFIC rules with respect to its indirect interest in any investments held by us that are treated as equity interests in a PFIC for U.S. federal income tax purposes. U.S. Holders of Equity Shares should consult their tax advisors as to the availability and desirability of a mark-to-market election, as well as the impact of such election on interests in any lower-tier PFICs.

Alternatively, a U.S. Holder of stock in a PFIC may make a "qualified electing fund" election with respect to such PFIC to elect out of the tax treatment discussed above. A U.S. Holder who makes a valid qualified electing fund election with respect to a PFIC will generally include in gross income for a taxable year (i) as ordinary income, such holder's *pro rata* share of our ordinary earnings for the taxable year, and (ii) as long-term capital gain, such holder's *pro rata* share of our net capital gain for the taxable year. However, the qualified electing fund election is available only if the corporation provides U.S. Holders with certain information regarding its earnings and profits as required under applicable U.S. Treasury regulations. We will determine our PFIC status for our current taxable year promptly after the end of our current taxable year and, if we determine that we are (or are likely to be) a PFIC, we will use reasonable efforts to provide you information that will enable you to make a qualified electing fund election.

If we are a PFIC for any year during which you hold Equity Shares, we will generally continue to be treated as a PFIC with respect to you for all succeeding years during which you hold Equity Shares. However, if we cease to be a PFIC, you may avoid some of the adverse effects of the PFIC regime by making a "deemed sale" election with respect to the Equity Shares, as applicable. If you make this deemed sale election, you will be deemed to have sold, at fair market value, your Equity Shares (and shares of our PFIC subsidiaries, if any, that you are deemed to own) on the last day of the last taxable year in respect of which we were a PFIC. You generally would be subject to the unfavorable PFIC rules described above in respect of any gain realized on such deemed sale, but as long as we are not a PFIC in future years, you would not be subject to the PFIC rules in those future years.

If you hold Equity Shares in any year in which we are a PFIC, you will be required to file IRS Form 8621 regarding distributions received on the Equity Shares and any gain realized on the disposition of the Equity Shares.

You should consult your tax advisor regarding the application of the PFIC rules to your investment in Equity Shares and the elections discussed above.

Information Reporting and Backup Withholding

Dividend payments with respect to Equity Shares and proceeds from the sale, exchange or redemption of Equity Shares made within the United States or through certain U.S.-related financial intermediaries may be subject to information reporting to the IRS and possible U.S. backup withholding at a current rate of 28%. Backup withholding will not apply, however, to a U.S. Holder who furnishes a correct taxpayer identification number and makes any other required certification or who is otherwise exempt from backup withholding. U.S. Holders who are required to establish their exempt status generally must provide such certification on IRS Form W-9. U.S. Holders should consult their tax advisors regarding the application of the U.S. information reporting and backup withholding rules.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against your U.S. federal income tax liability, and you may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing the appropriate claim for refund with the IRS and furnishing any required information.

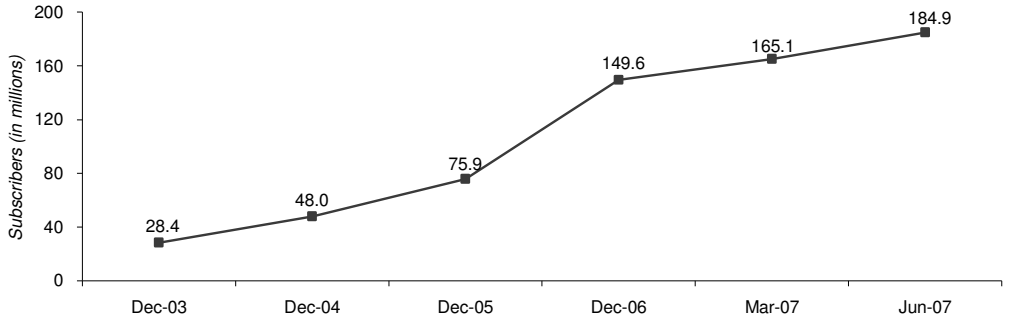
SECTION IV: ABOUT THE COMPANY

INDUSTRY

The Indian telecommunications market

The Indian telecommunications industry has experienced significant growth in recent years, mainly in the mobile sector, with total wireless subscribers increasing from 13.0 million in March 2003 to 184.9 million subscribers in June 2007. Historically, this sector was run by the Government under the umbrella of the Ministry of Telecommunications and Information Technology, Department of Telecommunications ("**DoT**"). The liberalisation of this key sector began in the early 1990s with the realisation that in order to achieve rapid and comprehensive development of the infrastructure, wide scale investment was required and this could not be fulfilled exclusively by public investment. Since early 1998, all the different telecommunications services areas have been opened up to competition and private sector participation. This transition from a government-controlled monopoly to an industry with widespread private sector participation has been instrumental in the telecommunications sector becoming one of the fastest growing sectors in India. The chart below depicts the rapid growth in wireless subscribers from 2003 to June 2007:

Total subscriber base (wireless)

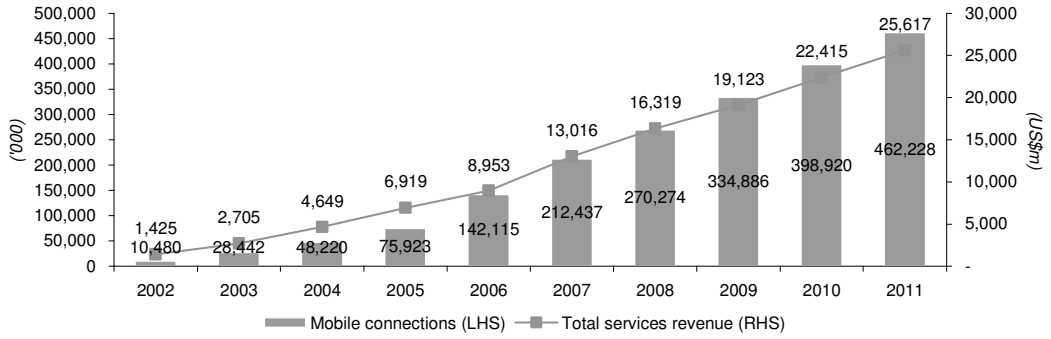


Source: Telecom Regulatory Authority of India: The Indian Telecom Services Performance Indicators April – June 2007 (5th October 2007)

The quarterly wireless subscriber additions touched a high of approximately 6 million subscriber additions per month in the recent quarters, with the three months ended March 2007 seeing an addition of 15.5 million subscribers and the three months ended June 2007 seeing an addition of 19.8 million subscribers.

The telecom penetration in India continues to be low compared to international standards and industry forecasters see the India telecom industry continuing to grow strongly over the next few years. Gartner, in its report "Forecast: Mobile Connections, Asia/Pacific, 2002-2011" estimated India's cellular market penetration at 12.7% in 2006 and projected this to rise to 38.6% by 2011. In the same report, Gartner estimates that cellular connections in India will grow from approximately 142 million cellular connections at end of 2006 to approximately 462 million cellular connections by end of 2011 at an implied CAGR of 26.6%. Correspondingly, it projects revenues from cellular services to increase from US$8.95 billion in 2006 to US$25.62 billion in 2011, at an implied CAGR of 23.4%.

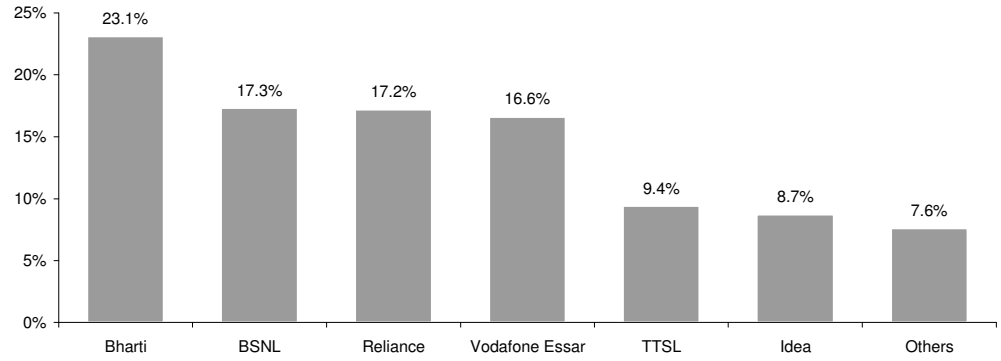
Indian cellular services forecast (2002 - 2011)



Source: Gartner; Forecast: Mobile Connections, Asia/Pacific, 2002-2011 published in June 2007

As at end June 2007, GSM had 135.8 million subscribers or approximately 73% of the wireless market and CDMA accounted for the remaining 27% with approximately 49.1 million subscribers. The wireless market share by operators as at end of June 2007 was as follows:

Indian wireless operator market share (Quarter ended June 2007)

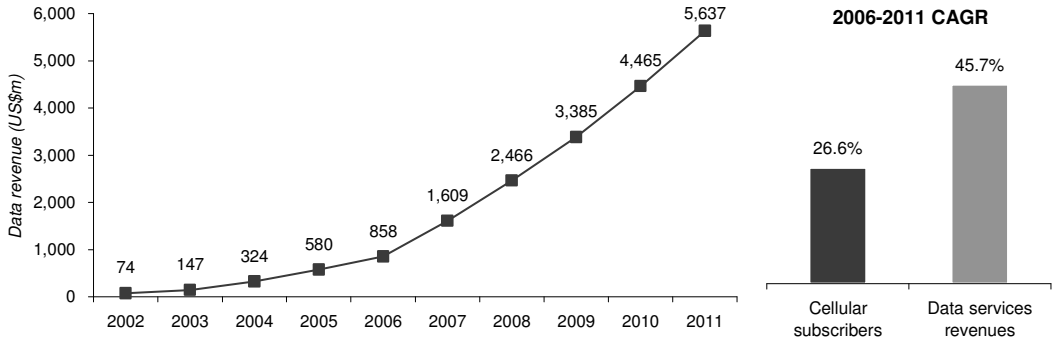


Note (1): Vodafone Essar was renamed from Hutchison Essar
Source: Telecom Regulatory Authority of India: The Indian Telecom Services Performance Indicators April – June 2007 (5th October 2007)

Data / Value added services in India

The Indian cellular industry revenues from Data services were estimated by Gartner to have grown more than 11 fold from US$73.9 million in 2002 to US$858.0 million in 2006. These are expected to increase significantly faster than the cellular subscriber compoundannual growth rate of 26.6%, at a CAGR of 45.7%, to reach US$5.6 billion in 2011 as depicted in the chart below.

India Cellular Services – 2002-2011 Data revenues



Source: Gartner; Forecast: Mobile Connections, Asia/Pacific, 2002-2011 published in June 2007 (India: Mobile connections forecast, 2002-2011)

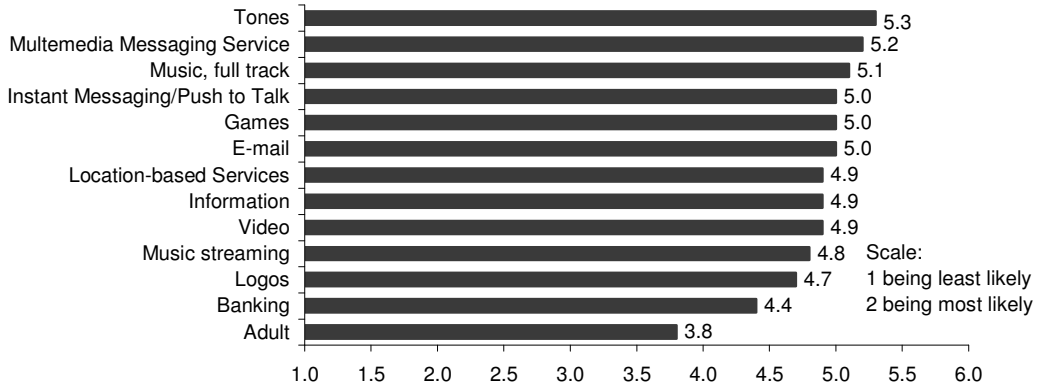
Leading telecom operators such as Bharti, Reliance and Idea have all reported increasing revenues from value added services. For example, in its 2007 financial report, Bharti reported INR 848 million from VAS revenues in fiscal 2003 which increased exponentially to INR 19,209 million in fiscal 2007.

The rapid growth in data services is being driven primarily by two factors:

1. Increasing consumer demand for value added services

Globally, there has been the trend towards consumers utilizing their phones for music, entertainment, games and information. This has been enabled by development and availability of richer content through telecom networks as well as better handsets that provide easy user interfaces. The results of a worldwide consumer survey by Gartner (using data collected during November and December 2006) depicted below show a high degree of propensity amongst consumers to use and pay for mobile value added services:

Propensity to use and pay for mobile services



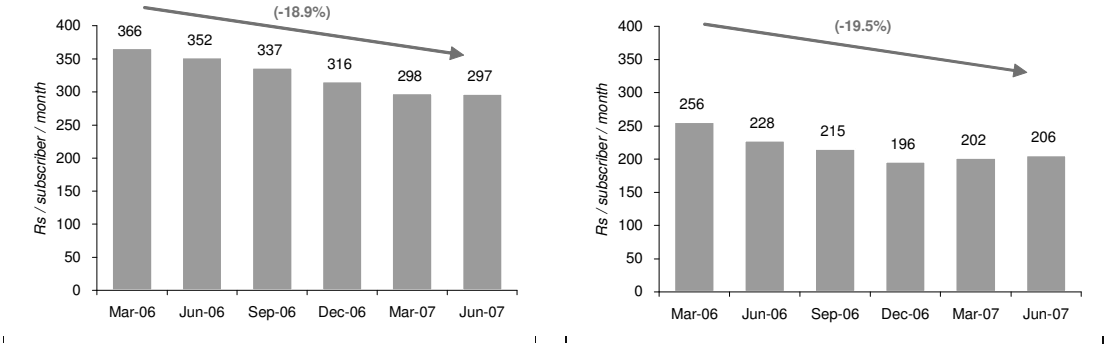
Responses to: "How likely are you to use a mobile phone to access each of the following paid mobile services in the next 12 months?"
Source: Gartner, Market Trends: Communications Consumers, India, 2007 published in April 2007

Gartner Dataquest in their report titled "Emerging Markets: How to Make Big Margins in Mobile Telecoms" published in December 2006 noted that an iconic phone book and voice applications can be used to address regions with low or functional literacy. A number of operators in India have implemented a premium number with IVR to access content. This is useful for consumers with limited literacy, but also applicable where there is no suitable language interface (India has 14 official languages). Voice SMS, such as the BubbleTalk service deployed by DiGi in Malaysia, is another possible solution.

2. Declining ARPU for telecom operators from Voice services

Due to competitive industry dynamics, mobile tariffs have been falling and as the following chart depicts, there has been pressure on the average revenue per subscriber ("**ARPU**") for telecom operators. ARPUs declined by 18.9% from Rs 366 per subscriber per month in March 2006 to Rs. 297 per subscriber per month in June 2007 for GSM subscribers. The ARPU from CDMA subscribers have similarly fallen over this period, declining by 19.% from Rs. 256 in March 2006 and Rs. 206 in June 2007. Data or mobile value added services play a useful role in giving incremental revenues to the telecom operators with very little incremental spending in capital expenditure. This offers a potential lever to counter the trend of falling ARPUs and to increase EBITDA margins. The chart below depicts the trend in ARPUs between March 2006 and June 2007 for GSM and CDMA consumers.

ARPU – GSM (Rs. / sub / month) | **ARPU – CDMA (Rs. / sub / month)**



Source: Telecom Regulatory Authority of India: The Indian Telecom Services Performance Indicators, April – June 2007 (5th October 2007)

VAS services in India

Telecom value added services span a wide range and include: (a) in-network services such as: ring back tones, and voice SMS; (b) voice based portal services such as ringtones, sports updates, stock updates, news, jokes; (c) user generated content services such as contests, auctions, audio streaming etc.; (d) interactive media solutions such as tele voting, mobile auditions, etc and; (e) mobile commerce solutions such as mobile ticketing, bill payments, pre-paid recharge and virtual shopping malls on the telephone.

The industry space remains fragmented with most VAS providers operating in narrow segments of the market. Many of the industry players operate in single product lines or have expertise limited to SMS or WAP technologies. Competition for multi-line, multi-product remains very limited.

International telecom markets

The telecom markets in emerging economies in South Asia such as Indonesia, Thailand, Pakistan, Bangladesh, Malaysia and Sri Lanka also growing rapidly and present, in many ways, the same opportunities for value added services providers as the Indian market. Telekomunikasi, Indonesia's largest integrated telecommunications provider, grew its mobile phone subscriber base by 46.7% from 24.3 million subscribers in 2005 to 35.6 million mobile phone subscribers in 2006 (Telekomunikasi annual report 2006). DTAC, Thailand's largest public telecommunications company and number two by market share in the country, increased its mobile phone subscriber base by 40.2% from 8.7 million users in 2005 to 12.2 million users in 2006 (DTAC annual report 2006). In Pakistan, Pakistan Telecom grew its subscriber base by 188.5% from 2.6 million in 2005 to 7.5 million in 2006 (Pakistan Telecom annual report). Bangladesh's GrameenPhone, the country's leading mobile phone operator by number of subscribers, reached over 11 million mobile phone users in March 2007, an increase from 5.5 million in 2005 (GrameenPhone annual report 2005 and press release 2007). In Malaysia, the largest mobile phone operator by population penetration, Maxis, increased its subscriber based by 17.7% from 7.9 million in 2005 to 9.3 million in 2006 (Maxis annual report 2006). Sri Lanka Telecom, Sri Lanka's largest integrated telecommunication services provider by population penetration, added 464,980 mobile subscribers in 2006, a 110.7% increase over the previous year, bringing its total number of mobile subscribers to 885,042, (Sri Lanka Telecom annual report 2006).

Generally, in emerging markets, the management of telecom operators is focused on building their rapidly growing core businesses, and hence are open to a credible external partner managing the value added services segment on a white labelled basis.

In addition, there are clear trends of the telecom handsets getting more sophisticated, and increasingly the handsets getting more integrated into the consumers' lifestyle and hence an opportunity to deliver various kinds of personalized information, entertainment, advertising and commercial services over the phone.

OUR BUSINESS

Overview

We are a leading provider of telecommunications value added software products and services in India with an expanding international presence, particularly in emerging markets in Asia. Our products are targeted at end-user telecommunications subscribers with an increasing focus on capitalising on the convergence between wireless and wireline telecommunications services, media content distribution, internet, mobile marketing and mobile commerce.

We have a broad range of applications that are delivered by our carrier customers to their end-user subscribers. These products include ringback tones, voice portals, ringtone downloads, subscription manager, contests, music messaging, on-device client software, mobile radio, dynamic voicemail, voice short messaging service and missed call alerts which enable subscribers to personalise their mobile phones and thereby enhance user experience. Our products also allow subscribers to access informational and entertainment content in multiple languages using speech-based navigation such as stock and commodity price updates, news, sports updates, jokes and music. In addition, subscribers can access entertainment content such as live sports commentary and karaoke using our audio streaming solutions. Our products include interactive user-generated content solutions which allow subscribers to participate in contests and auctions, classified advertisements and find-a-friend.

We also deliver interactive media solutions to leading media companies, such as tele-voting, interactive programming and mobile auditioning. Our interactive media solutions are also used by marketing companies for mobile advertising and lead generation. In addition, we provide a range of mobile commerce solutions which enable subscribers to buy movie tickets, railway tickets, top up their pre-paid mobile phonecards and pay bills using their mobile phones.

Our customers include the major telecommunications carriers or operators in India such as Bharti Airtel Limited ("**Bharti**"), Bharat Sanchar Nigam Limited ("**BSNL**"), Idea Cellular Limited ("**Idea**"), Reliance Communications Limited ("**Reliance**"), Tata Teleservices Limited ("**TTSL**"), Vodafone Essar Limited ("**Vodafone Essar**") and more than 10 international telecommunications operators in over eight countries, including SingTel Optus Pty Limited ("**Optus**") in Australia, Sheba Telecom (Pvt) Limited ("**Banglalink**") in Bangladesh, Malaysian Mobile Services Sdn Bhd ("**Maxis**") in Malaysia, PT Bakrie Telecom, Tbk ("**BTEL**") and PT Indosat Tbk ("**Indosat**") in Indonesia. Based on information obtained from publicly available sources such as COAI and TRAI, as of September 30, 2007, based on the subscriber figures for our carrier customers, we had a market reach of more than 232 million subscribers in India. Based on end-user data publicly available from our customers, as of June 30, 2007, we had a market reach of more than 81 million subscribers internationally. In addition, as of March 31, 2007 we had approximately 156 million unique users who had used at least one of our services since our inception.

In addition to telecommunications carriers, we market our products and services to media companies such as AOL Interactive Media India Pvt. Ltd. ("**AOL**"), Buena Vista Internet Group ("**Disney**"), ESPN Software India Pvt Ltd ("**ESPN**"), India Today Group digital, a division of Living Media India Ltd., Star India Pvt. Ltd. ("**Star**"), merchants, handset equipment manufacturers such as Nokia Pte Ltd. ("**Nokia**"), content owners and creators, advertisers, and other large corporations.

Our products create new revenue sources for our customers by expanding the technical and market reach of mobile phones and telecommunications networks. Telecommunications value added services provide incremental revenue to the telecommunication operators with comparatively smaller spending on capital expenditures.

We provide our carrier customers with end-to-end turnkey solutions, which we manage for them on an outsourced service basis through long term contracts. Almost all our contracts provide for revenue sharing through which we receive a portion of the revenue generated by the carriers from their end-user subscribers. This enables us to earn recurring revenue over a long term period and to share in the benefits of growth in our carrier customers' subscriber base and increased usage of our services. We source content for our applications from over 65 content owners and content suppliers which we deliver to our customers through our delivery platforms.

Most of our applications are not network or handset specific and are deployable across major networks, including the Global System for Mobile Communications ("**GSM**"), Code Division Multiple Access ("**CDMA**") and legacy wireline networks, regardless of the technical capabilities of the mobile device. Our multi-modal platform enables us to deliver text, audio, data or video content through multiple modes including voice, Short Messaging Service

("**SMS**"), Multimedia Message Service ("**MMS**"), Unstructured Supplementary Service Data ("**USSD**"), on-device portals, wireless application protocol ("**WAP**") and 2, 2.5 and third generation protocol ("**3G**") technologies to the end-user subscribers, thereby allowing us to rapidly deploy a wide range of our products across operators and networks.

We use speech recognition technology as one of our primary user interfaces to satisfy increasing market demand for simpler user interfaces. Our speech-based solutions are not handset specific and are not dependent on the capabilities of the handsets and can be used by almost all our target subscriber base, giving us significant market reach, consumer acceptance and usage. In addition, our on-device software product simplifies the user interface and enables end-users to access sophisticated services easily.

We have a track record of creating, developing and successfully launching innovative software product applications such as Indian vernacular and international languages for our voice portals, ringback tones, Press-*-to-Copy, dynamic ringback tones, viral ringback tones, live audio commentary, vernacular WAP portal and voice search solutions, which validates our technology development strength and depth of market experience.

Based on our track record and consistent ability to develop and deliver products and services to our customers over the past few years, we believe that we are well positioned to serve as an integrated solutions provider for our customers who want to rapidly and cost-effectively provide a broad range of telecommunications value added services to their subscribers and create new revenue streams.

We were incorporated in India on September 27, 2000 by OMSI, which was an incubated startup of Infosys Technologies Limited ("**Infosys**"), to develop telecommunication software applications for the mobile telecommunications industry worlwide. Our registered office is located in Bangalore, India. We also maintain offices in Singapore, Jakarta and Sydney. In December 2006, we acquired ITfinity, a mobile technology software specialist based in India with an expertise in developing mobile data products. We have recently acquired Vox mobili S.A. to expand our product portfolio in data and to access markets in Europe and North America. See "– Vox mobili S.A." for more information.

We were ranked the top value added services company in fiscal 2007 by Voice & Data, a leading publication for the telecommunications industry in India. According to Nuance Communications, Inc., a leading provider of speech and imaging solutions for businesses and consumers around the world, we had the largest value-added services deployment of speech ports worldwide of Nuance Communications, Inc., in fiscal 2007 and 2006. In addition, we were ranked first in the Deloitte Technology Fast 50 India 2007 Program which lists 50 of the fastest growing technology companies in a specified geographic area based on percentage revenue growth.

Our consolidated net revenue increased from Rs. 409.5 million in fiscal 2005 to Rs. 826.2 million in fiscal 2006 and to Rs. 1,366.8 million in fiscal 2007, representing a compound annual growth rate of 82.7%. Our consolidated earnings after tax increased from Rs. 140.2 million in fiscal 2005 to Rs. 246.8 million in fiscal 2006 and to Rs. 349.4 million in fiscal 2007, representing a compound annual growth rate of 57.9%. For the six months ended September 30, 2007, our consolidated net revenue was Rs. 1,125.1 million and our consolidated earnings after tax was Rs. 305.2 million.

Our Competitive Strengths

Significant market share in India's fast growing telecommunications value added services market

The provision of telecommunications services is a priority in India's expanding economy. As land-based telephone connections and services are inadequate and/or antiquated, mobile phones are increasingly required to fill the growing demand for communications. Competitive pressures have also resulted in decreasing prices in the Indian telecommunications industry and our carrier customers are increasingly looking to value added services to support and grow their revenue and margins. As a result, India has developed into one of the fastest emerging markets in the world for mobile value added services, according to Cygnus Business Consulting & Research. In India, our customers include leading telecommunication carriers such as Bharti, BSNL, Idea, Reliance, TTSL and Vodafone Essar, which have 23.1%, 17.3%, 8.7%, 17.2%, 9.4% and 16.6%, respectively, of the market share of the total wireless subscribers as of June 2007, according to TRAI. As of September 30, 2007, based on the subscriber figures for our carrier customers, we had a market reach of approximately 95% of India's telecommunications subscribers through our carrier customers, based on information obtained from publicly available sources such as COAI and TRAI.

Long-term customer relationships which create high technological and time-to-market barriers to entry for new entrants

We have long-standing relationships with our customers developed through our long-term partnership contracts and revenue sharing arrangements that allow us and our customers to share in the revenue generated by our products and services. Our customer contracts are generally master contracts that allow us to add new products and services rapidly with essentially the same terms and conditions as the master contract. Since our inception in September 2000, we have not lost any major customers and have consistently achieved year on year revenue growth with each of them. This was achieved through our development of innovative revenue generating products and joint revenue product planning and service deployments with our customers, thereby making us integral to our customers' growth plans.

Furthermore, service deployments with our major carrier customers involve complex hardware systems and software applications deeply embedded within the carrier's network infrastructure and integrated into the carrier's billing, provisioning, service management, customer care and other core network systems. In order to manage, maintain and operate the software applications provided to our customers and integrate them into our joint product planning and new service deployment processes, we maintain a high level of interaction and close working relationships with each of our major customers. This minimizes the complexities involved in deploying and marketing new services, which gives us an advantage over our competitors in the development, testing and commercialisation of innovative new mobile solutions and products by reducing the time-to-market for new product introductions as the new products, content and updates can be easily launched through our existing infrastructure.

In addition, we offer our customers end-to-end turnkey solutions, which we manage for them on an outsourced service basis. Such end-to-end solutions include hardware and software platforms, application development, infrastructure management and customer support, including software maintenance, hardware support and help desk services. By providing end-to-end solutions, we operate as a "one-stop-shop" for carriers and other customers that look for product, operational and marketing support. Our ability to deliver end-to-end solutions significantly helps customers who are interested in conceiving, developing and quickly getting their new service offerings to market. For example, we are one of the few providers in India to offer mobile commerce solutions as managed services. For more information, see " – Customer Delivery – End-to-end Turnkey Solutions" on page 73.

Proven track record in bringing innovative solutions to market

We believe that with our track record, accumulated market experience, technical capabilities and operational expertise, we are well positioned to serve as an integrated solutions provider for our customers who want to rapidly and cost-effectively provide a broad range of telecommunications value added services to their subscribers. For example, we have a proven track record of creating, developing and successfully launching innovative product applications such as Indian vernacular languages for our voice portal and audio streaming ringback tones solutions.

In addition, we have invested and will continue to invest resources in research and development in order to keep creating new applications and solutions and to upgrade or improve our existing ones. We believe that the research and development experience and knowledge base that we have developed over the years will enable us to continue delivering innovative services in the area of new and enabling technologies and keep us at the forefront of developments in our industry. The large size of our research and development team and their technical expertise allows us to offer and customize tailored products and services to our customers in very short timeframes with advanced software features. See "– Technology and Product Development" on page 75 for more information.

Blue-chip customer base

We have successfully deployed our solutions over the past seven years and currently service major blue-chip customers including AOL, Bharti, BTEL, BSNL, Idea, Indosat, Maxis, Optus, Reliance, Star, TTSL and Vodafone Essar. Our existing relationships with such blue-chip customers enable us to easily cultivate new customer relationships, as new customers are aware that our blue-chip customers have selected us based on our constant innovation, consistent operational track record and the competitiveness of our products and the commercial terms of our business.

We draw significant benefits from our scale of operations and breadth of products

Our business exhibits significant economies of scale, for example in software development manpower costs, hardware and software purchasing, centralised operations support staff, content purchasing and infrastructure. The breadth and depth of our product and services portfolio allows us to extract value from cross-selling services, data mining, cost sharing, re-use of software code, sharing of system resources and databases and other similar synergies. It allows our customers to offer a wide range of similar user interface services to their subscribers, resulting in ease of market adoption, faster revenue results, and higher end-user satisfaction. We continuously work on feature enhancements and interlinkages between our products to generate new value in a cost efficient manner. Such synergies are not available to many of our single-product competitors.

Experienced management and core engineering team

Our senior management team has an average of over 15 years of experience in the telecommunications and technology industries and have previous work experience at well established companies such as Infosys, Ericsson India Private Limited, Nokia India Private Limited, IBM, Hughes Escorts Communication Limited and Samsung Corporation. Our senior management team has significant experience in all aspects of our business and has transformed us from a small start-up into our current status as a leading provider of telecommunications value added products and services in India. In addition, our core engineering team consists primarily of experienced ex-Infosys employees who bring with them global delivery process and software engineering expertise. Most of the members of our senior management and core engineering teams have been with us since our inception and have successfully executed our growth strategy that has increased our net revenue from approximately Rs. 172.6 million in fiscal 2004 to Rs. 1,366.8 million in fiscal 2007. See "Our Management" on page 100 for more information.

Our Strategy

Our mission is to grow into one of the leading global providers of telecommunications value added services serving global wireless and wireless telecommunication operators, mobile virtual network operators, media companies, content owners and publishers, internet companies, mobile commerce merchants and corporates

Develop and launch innovative applications to further penetrate our existing customer base as well as new markets

We believe that the telecommunication value added services industry is evolving rapidly due to the development of more sophisticated handsets, advanced network infrastructure, increasing consumer acceptance and the availability of rich and varied content and services for end-users. We have a track record in developing and launching innovative new products that tap into consumer preferences across the markets we serve. We intend to utilise our leading market position in India to launch, test and develop innovative applications and services with our existing carrier customers, thereby expanding the breadth of services we power and manage for them, as well as export these new applications and services in new international markets as they become commercially viable. We have a pipeline of software products under development and expect to supplement these with products and technology that we may acquire. For example, we are currently in the process of deploying our new mobile marketing solutions such as our m-advertising, m-coupon and Ad-RBT solutions with our customers. As our product portfolio and end-user base expands, we also benefit from increased market understanding which enables us to analyse purchasing and usage behaviour, develop products which match consumer preferences and cross-sell services to the end-users we reach.

Expand our international presence

We intend to expand our geographic presence and market to new carrier and other target customers by leveraging our expertise and track record in offering products that address the needs of international customers. In fiscal 2007, we entered into contracts with eight new wireless carriers in Indonesia, Malaysia, Pakistan, Bangladesh and Sri Lanka for licencing and management of our telecommunications value added services. In order to develop and support these new carrier customer relationships, we intend to upgrade and expand our network of development, sales and support resources in potential growth markets, establish overseas offices and to enter into local partnerships and distribution arrangements.

Continue developing new service initiatives such as our mobile commerce and mobile marketing and media solutions portfolio

We have successfully tested and launched mobile commerce applications such as movie ticketing, railway ticketing and utility bill payment. With the evolution of the mobile phone beyond its basic call functionality, we believe that there are opportunities to deploy applications and services which enable merchants and consumers to sell and purchase goods, mobile content and other products using the wireless handset as a sales channel. Merchants will be able to leverage the increasing reach of telecommunications networks to access large and difficult to reach markets like the rural sections of India. We intend to leverage the mass customisation capabilities of our value added software services deployments with carriers to bring to market advanced capabilities such as demand aggregation and personalised one to one direct marketing. We believe that our experience in delivering telecommunications value added services to mobile users over a seven-year period gives us a deep understanding of usage behavior on value added services. We intend to continue working with marketing and media companies and operators to develop focused marketing and advertising solutions for target market sectors or customers.

Pursue selective strategic acquisitions and investments

We continually seek new growth and acquisition opportunities in our existing line of business as well as related businesses to expand our geographic presence, service offerings, carrier relationships and technological expertise. By selecting the opportunities for growth and acquisition carefully and leveraging our transactional, project execution, and operational skills, we expect to continue to expand our business. For example, in December 2006, we acquired a majority stake in ITfinity, a mobile technology software specialist with an expertise in the development of mobile data products based in Mumbai, which subsequently merged with us in May 2007. Its customers include, among others, Nokia. In September 2007, we acquired Vox mobili S.A., a Paris-based global provider of personal data management, wireless synchronization and embedded client solutions. We will pursue similar opportunities in other regions to strengthen and grow our business, including investment in or acquisition of minority or majority stakes in companies which support our business and product strategy.

Strategic distribution partnerships

For selected markets and product categories, we intend to enter into strategic distribution partnerships with well established companies which have strengths that are complementary to ours. For example, we recently signed a global reseller agreement with Nokia Siemens Networks GmbH & Co. KG to distribute our ringback tones products to their global customer base using their customer account teams, onsite resources and infrastructure and thereby leverage their local customer base and product support capabilities.

Attract and retain talent

We intend to continue identifying, attracting, training and retaining highly skilled application development engineers and technical personnel, business development experts and well-qualified and experienced senior management and sales team members. Building successful technical and business teams will enable us to continue identifying and developing innovative products and solutions, deepen and expand our customer relationships and pursue acquisitions to grow our business.

Our Principal Products

We offer our customers a wide range of telecommunication solutions which can be broadly categorised as follows:

- ***Multi-modal Platform.*** Our multi-modal platform, MMP2500, is the core platform on which all our applications operate. MMP2500 is a carrier-grade system that effectively integrates multiple delivery modes and payment and subscription options for 2, 2.5 and 3G networks and handsets; and

- ***Application Products.*** Our application products can be broadly categorised into network based in-call solutions, voice based multi-modal portal, WAP and on-device client software applications, interactive media solutions, mobile commerce solutions and mobile marketing services.

Multi-modal Platform, MMP2500

Our multi-modal platform, MMP2500, provides carriers with the scalability, flexibility and technology investment protection they need for deploying enhanced multi-modal applications within their networks to their entire subscriber base. Our multi-modal platform:

- enables the rapid deployment and delivery of software applications across multiple delivery modes such as voice, SMS, MMS, USSD, WAP and on-device software applications, thus fully leveraging wireline, 2G, 2.5G and 3G networks and handsets;

- enables the delivery of applications in multiple languages including 10 Indian vernacular languages;

- provides multiple payment options for subscribers allowing them to make payments using their mobile phones by credit card, debit card and direct debit; and

- provides multiple payment and subscription models for subscribers including premium access, pay-per-use, pay-per-transaction and time-based models to promote subscribers' access.

Our multi-modal platform seamlessly combines speech, text and touch input with graphics, text and audio output to deliver enhanced applications and services, thereby improving user experience and encourages greater usage. We have adopted speech recognition technology, which enables users to access services by voice commands in multiple languages, including 10 Indian vernacular languages, as one of our primary user interface to meet increasing market demand for simpler interfaces.

Application Products

Our application products can be broadly categorised into:

- network based in-call solutions;

- voice based multi-modal portal solutions, WAP and on-device application;

- interactive media solutions;

- mobile commerce and corporate solutions; and

- mobile marketing solutions.

Network Based In-Call Solutions

Our network based in-call solutions are applications that are deeply embedded within the carrier's network infrastructure and integrated into the carrier's billing, provisioning, service management, customer care and other core network systems.

- *Ringback Tones*

  Our ringback tone application enables callers to hear ringback tones, which are songs or voice-recorded clips chosen by the subscriber, instead of the traditional ringing sound, while waiting for the called party to answer the call. Our ringback tone application enables users to search for and download a rich variety of high-quality ringback content, including a repository of songs, live updates, such as sports scores, news updates or to create their own personalised ringback content. Multiple ringback tones can be customised to identify different caller groups or to be played at a specified date or time and can be used in a shuffle mode so that different songs will be played to consecutive incoming calls.

  We first launched our ringback tone application in 2004 with Vodafone Essar. Since then, we have launched numerous different ringback tone features which have resulted in an increase in the number of subscribers of our ringback tone service. For example, we had approximately 400,000 subscribers of our ringback tones service when we launched our ringback tones for specific members in November 2004. This increased to approximately 2.4 million subscribers in 2005 with the launch of our new feature which allows end-users to

select songs using SMS and approximately 4.4 million subscribers in 2006 with the launch of our auto dialer ringback tone product. In 2007, we launched another advanced feature, "Press-*-to-Copy", for our ringback tones products, which allow end-users to subscribe for and to set their preferences in an intuitive and easy manner leading to faster market adoption and increased usage of the service, and this resulted in an increase in the number of ringback tones subscribers to approximately 11.3 million. As of June 30, 2007, we have over 10 million subscribers of our ringback tone service resulting in over 2.6 billion calls each month. We believe that the deployments of our ringback tones applications have resulted in significant ARPU uplifts for our telecommunications operators customers.

- *Dynamic Voicemail and Missed Call Alert Service*

  Our missed call alert service is a messaging service, offering multi-modal alerts of a missed call or voicemail received when the handset is in use, turned off or when the user is outside of his or her coverage area. This service allows for users' mailboxes to be managed dynamically and is particularly useful in countries where a majority of users are pre-paid. Additionally, the service enables users to quickly access their voicemail as they have the option to navigate and manage their voice mailbox using our speech technology.

- *Voice SMS*

  Our voice SMS application is a new short messaging service that addresses the limitations of conventional SMS messages such as character limitations and the lack of support for vernacular languages by using voice instead of text. Our voice SMS application is easy to use and, compared to SMS, adds an emotional dimension to messaging. It also provides flexibility to users by supporting multiple languages and enabling users to customize the duration of their messages. Users can also review their messages and re-record their messages, have the option of sending their voice messages during non-peak hours and can customise the application to ensure that the voice messages are not sent to roaming recipients.

- *Voice Based Multi-Modal Portal, WAP and On-Device Applications*

  Our on-device client software application is a handset-installed solution that leverages the capabilities of subscribers' handsets by enabling data services and content to be embedded directly onto the subscribers' handsets, so that subscribers can easily access and download data services and content instantly and without continuous network coverage, resulting in simpler and faster navigation, increased personalisation, and an overall improved experience for users. Service providers and our customers also benefit as their brands will have a permanent presence on a subscriber's handset in addition to revenue from increased volume of transactions as subscribers can access data services and content offline. Our on-device application also allows service providers to dynamically publish content on subscribers' handsets to ensure a consistent user interface across vendor devices.

  Our voice based multi-modal portal, WAP and on-device portal solutions consist of content-based applications which enable users to access and download a wide range of content such as ringtones, mobile radio, music messaging, information and entertainment content such as news, stock prices, sports updates or live commentary and user-generated content such as contests and auctions, find-a-friend and classified advertisements.

- *Music Solutions*

  Our music solutions are geared towards providing mobile users a wide range of content for download and use such as ringtones, song dedications, karaoke-based applications, music messaging, music jukebox and SMS tones. We primarily source for and aggregate content through licencing agreements with music label companies, royalty agencies and other content providers. In some cases, our customers source for the content directly. Users pay for our music solutions through monthly subscription fees or on a per-download basis and we receive a percentage of the revenue from our customers. The key feature of our music solutions is our multi-channel (with voice as the primary channel), multi-carrier and multi-lingual capabilities and our key products include:

  - *Ringtones.* We source and aggregate ringtone content from major music label companies and unbranded content from talented local musicians. Our ringtone repository is updated regularly to provide users with

the latest content. Our ringtone application provides users the option to download ringtones over voice, SMS and WAP and supports multiple carrier technologies such as GSM and CDMA.

- *Musicard.* Our musicard application allows users to send personlised greetings over mobile phones. Users can record personlised messages with a background score of their choice or songs sung karaoke-style by the user. Further, our musicard application allows visuals such as pictures or other images to be transmitted to devices with MMS functions.

- *Music Jukebox*. Our music jukebox application allows users to access content and services in multiple languages from one place. Users can download songs from our music jukebox and set them as ringtones and ringback tones or sing to selected songs in karaoke style, record it and forward it to other users. Our music jukebox application supports multiple carrier technologies such as GSM and CDMA.

- *Information and Entertainment Solutions*

Subscribers to our information and entertainment solutions can get information in a variety of categories on an on-demand basis. For these services, we receive a percentage of the revenue earned by our customers from the subscribers. By combining voice, SMS and WAP technologies, we offer a wide range of information and entertainment products to users:

- *Sports Updates.* Our sports update application allows users to get live updates and commentary of sporting events such as cricket, football and the Grand Prix motor racing on their mobile phones. In addition, users can participate in contests, browse other sports-related content and subscribe for scores updates. We regularly update and archive our content to ensure that users can access updates and information even when a live event is not occurring.

- *Stock Updates.* We provide information on the stock market for all markets of interest to our customers including the latest stock updates, market updates on the top three gainers and losers for the day and basic stock quotes such as last traded price and stock movement. Users can build their own portfolio of stocks using this application and subscribe for daily alerts.

- *Movie Updates.* Users of this application can access movie previews, reviews, sound bytes, movie trivia, gossip and movie updates and browse movie theaters for movie timing. Users are also able to receive SMS alerts of the latest movie releases and purchase movie tickets using their mobile phones.

- *News.* We provide news content on a real-time basis in multiple languages accessible by categories such as politics, business or international news. Users can subscribe for alerts with callbacks for breaking news.

- *Logos.* We provide a wide variety of logos that users can select and download onto their mobile phones using voice.

- *Jokes.* Our jokes application allows users to browse, select and listen to jokes with the help of voice commands. Users can send jokes to their friends or submit their own jokes to our repository.

- *Devotional Songs.* This application gives users access to a repository of devotional songs in multiple languages using voice, SMS and WAP. We provide content related to many of the major religions of the world.

- *Astro Zone.* Our astro zone application allows users to download personlised horoscopes on their mobile phones based on astrology or numerology, tips on feng shui and personality analysis.

- *Audio Streaming*. Our audio streaming solution allows users to receive content of a live event even on a 2G network. Live audio commentary is streamed from a web server onto our in-network platforms and channeled to users. Prior to the introduction of our live audio streaming service, users who wanted to receive live content had to install streaming software onto their mobile phones. With our live audio streaming solution, we have moved the streaming software from the handset to our in-network platforms allowing users to access streaming audio content at anytime from any handset.

- *User-Generated Content Solutions*

  Our user-generated content applications use on-line content created and published by the end-user subscribers. For these services, we receive a percentage of the revenue earned by our customers from the subscribers. By combining voice, SMS and WAP technologies, we offer a wide range of user-generated content solutions to users:

  - *Find-a-Friend.* With our find-a-friend application, users can search for an ideal friend using their mobile phones. Users create profiles which are securely stored on our database to protect each individual's privacy. Users can search or browse through the profiles in our database on the basis of gender, location and age and can establish contact with a potential friend using voice or SMS. The recipient can choose to respond to or delete such voice or SMS or block a sender. All communications are channeled through our customer deployed platforms maintaining each user's anonymity.

  - *Contests*. Our contest solution enables carriers, media and advertising companies, corporates and merchants to set up contests for mobile phones and wireline subscribers. As part of our managed services, we provide the technology as well as the content for this application. Our contests solution enables us, for example, to create a question bank, set up different quiz formats, conduct a post contest analysis of the scores and manage the distribution of prizes to winners of the contests.

  - *Auctions.* Using WAP, SMS and dual-tone multi-frequency ("**DTMF**") based support, as well as a multi-lingual voice interface to ensure a quick and easy bid, our mobile auction solution allows users to participate in mobile auctions for multiple products at the same time. Users are notified once an auction starts or when a bid resumes and receive alerts an hour before the auction closes.

Interactive Media Solutions

Media companies such as newspapers, magazines, television broadcasters, radio stations and book publishers increasingly want their viewers, listeners or readers to interact with them and actively participate in their programmes using their mobile phones. Our interactive media solutions help media companies avoid the huge investment in technology and infrastructure that would otherwise be required to access our telecommunications subscribers and provides them with a fast time to market, low investment cost, single stop entry into the market using our installed value added services systems and infrastructure and by leveraging our existing operational teams and relationships with the major carriers.

Our media solutions provide media companies with a unique access number which is common to and accessible through most of our carrier customers. The convergence of mobile and media can be seen in the rise in popularity of reality television programmes, which provide viewers with an increasing amount of interaction between their televisions and their mobile phones through voice or SMS contests, polls and voting. For instance, our media solutions enable aspiring contestants from all over India to audition for the popular reality television program, Indian Idol, using their mobile phones by simply dialing the assigned number and using our karaoke feature to sing a selected set of songs for submission.

We currently offer media companies access to over 100 million subscribers in India. Revenue earned from the end-user subscribers is shared between the carrier, the media companies and us**.**

Mobile Commerce Solutions

We have developed our mobile commerce solution which leverages voice, DTMF, SMS and WAP interaction modes to support payment for goods and services through a carrier's network using the mobile phone as a user-friendly payment mechanism. Delivered as a managed service, we provide the technology for our mobile commerce solutions, perform content and pricing management, source existing credit card or debit card infrastructure to create a secure payment channel and perform new merchant or service integration. The key products of our mobile commerce solutions are:

- *Mobile Ticketing.* Our ticketing service, launched in 2006 and currently available for three cinema chains in 10 cities in India, enables users to enquire about the price and availability of movie tickets and to book tickets in real time using their mobile phones with SMS confirmation of purchase. Multiplexes such as PVR Ltd, Shringer Cinemas Ltd and INOX Leisure Ltd offer this service to their customers.

- *Pre-paid Recharge*. Our pre-paid recharge solution allows carriers to offer users the option to directly top up their pre-paid cards using their mobile phones at any time and anywhere using their credit cards or through their accounts with selected banks.

- *Bill Payment.* Our bill payment solution, launched in September 2006 with Airtel, allows users to make credit card payments for utility bills from their mobile phone and sends alerts to users when payment is due.

- *Shopping Mall.* Our shopping mall solution, allows users to buy a variety of products such as mobile phones and electronic goods with their credit cards or cash-on-delivery.

Mobile Marketing Solutions

Our mobile marketing solution includes an outbound calling facility designed to send out automated messages about new promotions and offers on products and services to a specific list of users based on the target profile. Our mobile marketing solutions enable the advertiser, corporate client or merchant to direct their marketing efforts to a target subscriber group chosen based on a pre-defined set of profile parameters set by the advertiser, and thereby helps the advertiser to avoid wasting a significant portion of their advertising budget on non-target subscribers due to its inability to profile the subscriber.

When our outbound dialing facility contacts a user and the user is connected, the system becomes an interactive sales tool and information on a product or service can be gathered or dispersed. Our solution can be customised so that outbound calls are only made to users who are not on roaming and to remember preferences from the previous calls such as choice of language.

Our mobile marketing solution is multi-modal and supports multiple interaction modes such as voice, SMS, DTMF and WAP, as well as multi-lingual platforms, thereby creating an easy to use interface for users and an enhanced web-based interface for our customers to create, schedule, monitor and manage promotions.

Our Customers

As of January 31, 2008, we had a diverse customer base of over 50 customers across a variety of industries including:

- wireless telecommunications carriers;
- wireline telecommunications carriers;
- media companies;
- merchants;
- handset original equipment manufacturers;
- content owners and creators;
- corporates; and
- advertisers.

Some of our top customers based on our net revenue for fiscal 2007 and the six months ended September 30, 2007 include:

- Bharti;
- BSNL;
- Idea;
- Reliance;
- TTSL; and
- Vodafone Essar.

We deliver our value added services to our customers on a managed services basis and we earn revenue primarily by entering into revenue sharing arrangements with our customers and receive a percentage of their revenue. In certain cases, we also charge fixed fees for our software licences and for the development, installation, annual maintenance and recurring fees for operational support, marketing support and onsite management.

Customer Contracts

Our contracts with our customers are typically on a non-exclusive basis and mostly have terms varying from between two to five years which can be renewed for further terms by mutual consent. Several of our customer contracts have automatic renewal clauses.

Most of our customer contracts are on a revenue sharing basis pursuant to which we receive a fixed percentage of the net revenue generated by our products and services for our customers. Our contracts are typically master contracts which allow our new applications and products to be quickly deployed under the contracts' existing terms and conditions without the need to enter into or negotiate a new contract. Our revenue sharing arrangements with our customers provide a recurring revenue stream for us.

In addition, under most of our customer contracts, we have agreed to indemnify our customers against any loss or damage arising from our breach of contract, including for the infringement of intellectual property rights in respect of the content that we had sourced and aggregated from third party content providers. We have limited our liability under the indemnity in some contracts to the extent of the net revenue earned by us under the contract. For some of our non-carrier customer contracts, our customers have also agreed to indemnify us for any loss or damage arising from any breach of the contract terms including for any infringement of intellectual property rights of the content sourced by them.

Our customer contracts also allow either party to terminate the contract for a variety of reasons, including for a breach of a material term or condition that is not rectified within a specified cure period. In addition, we are entitled to suspend the contract for non-payment. Either party is also allowed to terminate the contract without cause by giving written notice of between 60 to 90 days and without termination-related penalties.

Content Licencing Contracts

We source content for our applications through licencing contracts with music label companies, royalty agencies and other content providers. Our licencing contracts with content providers are usually for a term of one year which is renewable by mutual consent and typically contain a provision that the content provider will indemnify us against any third party claim for infringement of intellectual property rights in respect of the content sourced by them.

Customer Delivery

Managed Service Delivery Model

We provide our products and services as a managed service on an outsourced basis. Our applications are deployed within the carrier's network on our hardware which we install, operate and maintain. The software platform and applications on which our services are offered to end-users by our customers are operated by us under licence to our customers.

As part of our managed services, we have a centralised network operations centre to monitor the carrier's network continuously and which also acts as a first level helpdesk. Every carrier account typically has a key operations manager and a dedicated site maintenance team.

End-to-end Turnkey Solutions

In addition, we offer our customers end-to-end turnkey solutions which we manage for them on an outsourced service basis. Such end-to-end solutions include:

Content Aggregation and Management

As most of our applications require third-party content, we ensure the availability of a comprehensive content repository for our customers through extensive content planning and content procurement. In addition, we also liaise with royalty agencies and content partners for tie-ups and intellectual property rights settlement and revenue settlement.

Marketing (Revenue Maximisation) Support

We have assigned to each customer a marketing team consisting of a key account manager and a team of marketing specialists, who will work closely onsite with our customers' marketing teams to identify new business opportunities and define, develop and launch new products and services so as to maximise revenue.

Operations Support

We have also assigned to each customer an operations team consisting of an operations manager and a team of our operations engineers, including engineers whom we employ on a contract basis, to assist our customer in rolling out their products and services, monitoring their operational performance and providing operational support.

Sales, Marketing and Business Development

Our sales, marketing and business development team is responsible for the development of strategic distribution partnerships, alliances and direct sales, including contract negotiations. This team also works closely with our existing customers to expand the range of services deployed and grow revenue from their subscriber base over the life of the contract we have with them.

As of January 31, 2008, we had 155 employees working in our sales, marketing and business development team, of whom 144 were permanent employees.

Competition

The telecommunication value added services industry is fragmented, nascent and highly competitive and is characterised by frequent introductions of new solutions and applications, evolving wireless platforms and new and improved technologies. However, we believe we compete effectively because of our track record, the sophistication of our technology, applications and platforms, our proven ability to consistently deliver new innovative applications, which have delivered strong revenue results, our operational expertise and project execution, our knowledge of consumer market, demand and preferences, the technology and systems which we have installed and integrated in our customers' infrastructure, our service level commitments and established relationships with customers.

Intellectual Property

Our success depends in large part on our proprietary technology and know-how. We rely primarily on a combination of trade secrets and copyright laws and restrictions on access to protect our trade secrets and proprietary rights. We distribute our software products under license agreements, which grant customers a non-exclusive licence to use the software and contain terms and conditions prohibiting its unauthorised reproduction or transfer. In addition, we enter into confidentiality agreements with our customers when we disclose proprietary information to them. We also enter into confidentiality agreements and invention assignment agreements with certain of our employees and consultants.

As of January 31, 2008, we have two registered trademarks. Our trademark and logo "OnMobile" is registered with the Trademarks Registry in Mumbai, India. In addition, our trademark "OnMobile – True Mobility" is registered with the United States Patent and Trademark Office and with the trademark registry in Chennai, India. We have currently applied to register four other trademarks with the Trademarks Registry in Chennai, India, details of which are as follows:

S. No.	Invention	Filing Date	Place of filing
1	Kiss Calls	October 28, 2003	Chennai, India
2	Pic Click	December 8, 2006	Chennai, India
3	Kiss Click	December 8, 2006	Chennai, India
4	eM-services	December 16, 2006	Chennai, India

We have also filed 17 patent applications with the Indian Patents Office, details of which are as follows:

S.No.	Patent Name	Description of Products/Process Patented	Names of the Country	Year
1	Liquidate	System and method to provide differential	India	2006

S.No.	Patent Name	Description of Products/Process Patented	Names of the Country	Year
		discounts on goods and services based on physical location of the user		
2	Ad RBT	System and method to provide advertisement as ringback tones	India	2006
3	Spot Labor	System and method to search for odd-job services based on physical location of the service provider	India	2006
4	Mobile Social Network – Reach out	System and method for facilitating a ready social network	India	2006
5	Request RBT	Method and system for setting back ring back tone profiles	India	2006
6	Live Streaming on Voice Channel	Method to stream compressed digital audio cover circuit switched voice networks	India	2006
7	Press * to copy	Method and system for enabling a caller to interact with a rbt system to perform one or more contextual actions	India	2007
8	M-Search	Method and system for rendering information to an information device	India	2007
9	-	Method and server system for transferring an object to a wireless device from a webpage	India (ITfinity)	2006
10	-	Method and server system for transferring an object to a wireless device from a predetermined webpage	India (ITfinity)	2006
11	Click2Call	A method and system for communication amongst a plurality of users in a communication network	India	2007
12	-	A method and a system for registering a user for value added services in a telecommunication	India	2007
13	-	A Method and a system for processing a Ring Back Tone audio file.	India	2007
14	-	A method and a system for providing commercial information in a telecommunication network.	India	2007
15	-	Method to stream compressed digital audio over circuit switched voice networks	PCT	2007
16	-	Method and System for setting ring back tone profiles	PCT	2007
17	-	System and method for facilitating a ready social network	PCT	2007

Technology and Product Development

We have a dedicated team of technology experts to research and develop new software applications. To date, we have developed numerous innovations including our MMP2500 multi-modal platform, our WAP and speech recognition technology with the ability to support vernacular languages, advanced phonetic search capabilities in our voice and data applications, our live audio streaming application using 2G technology, our live content on ringback tones application, our "Press-*-to-Copy" on our ringback tone applications and our mobile commerce application. We filed for eight patents (including six provisional patents) in 2006 as a result of our research and development efforts.

Employees

We have a strong focus on recruitment, training and retention of our employees. As of January 31, 2008, we had a total of 851 employees of whom 792 were permanent employees and 59 were employees hired on a contract basis primarily to provide on-site engineering and operational support. We have 179 employees on our operations team, 155 employees on our sales, marketing and business development team, 150 employees on our research and development team, 33 employees on our product management team, 187 employees on our delivery management team and 76 employees in our administration department. In addition, we have 71 employees in our data products team. All of our employees are based in India except for eight employees who are based in Australia, Singapore and Indonesia.

Our employees are not unionised and we have never experienced any work stoppages. We believe that our employee relations are good.

Insurance

We maintain standard insurance policies for our physical assets and our employees as required by applicable laws and regulations. As of January 31, 2008, our material policies are:

Type of Policy	Insured Value
Standard Fire and Special Perils	Rs. 76.8 million
Directors' and Officers' Liability	Rs. 45 million
Professional Liability Technology	Rs. 45 million
Commercial General Liability	Rs. 45 million
Group Mediclaim	Rs. 300,000 per employee
Group Personal Accidents	Rs. 800,000 per employee
Special Contingency	Rs. 13.3 million
Burglary	Rs. 76.8 million
Public Offering of Securities	Rs. 600 million

Process and Quality Assurance

Our process and quality assurance compliance programmes are critical to the success of our operations, We have adopted eight guiding process and quality assurance principles of customer focus, leadership within the industry, people involvement, process approach, system approach to management, continual process improvement, fact-based decision making and mutually beneficial customer and supplier relationships.

In addition, we are implementing a quality management system which will adopt the Capability Maturity Model® Integration (CMMI) framework for process appraisal and improvement and the TL 9000 quality management system for the telecommunications sector which is based on the International Organisation for Standardisation (ISO) 9000 quality standard.

CMMI

Capability Maturity Model® Integration (CMMI) is a process improvement approach developed by The Carnegie Mellon Software Engineering Institute, a federally funded research and development conducting software engineering research in, among other things, process improvement and performance measurement, that provides companies with the essential elements of effective processes to identify, analyse, appraise and improve existing processes within the company to meet its goals and objectives. It can be used to guide process improvement across a project, a division, or an entire company. CMMI helps integrate traditionally separate organisational functions, set process improvement goals and priorities, provide guidance for quality processes, and provide a point of reference for appraising current processes.

TL 9000

The TL 9000 quality management system is developed by the Quality Excellence for Suppliers of Telecommunications to create a standardised set of telecommunications specific quality system requirements based on the ISO 9000 quality standard that would apply to the telecommunications industry worldwide. It contains the international quality system requirements of ISO 9001:2000 for the design, development, delivery, installation, and maintenance of telecommunication products and services. It also defines the performance metrics required to measure the progress and results of its implementation.

ISO 9001:2000

The ISO 9001:2000 is one of ISO 9000's three quality standards. The ISO 9001:2000 certification is awarded by the ISO and outlines specific process-oriented requirements for assessing a company's ability to meet customer and applicable regulatory requirements and thereby address customer satisfaction. It is based on the implementation of specific quality procedures and processes and is maintained by a demonstrated commitment to quality improvement. At the core of ISO 9001:2000 are the principles of customer focus, leadership within the industry, and the involvement of employees and management in developing and continuously updating a process approach to rectifying issues.

Properties

Our registered office is located at #26, Bannerghatta Road, JP Nagar III Phase, in Bangalore, India. We occupy approximately 61,722 square feet of office space, which we lease under a lease agreement that expires on February 10, 2011, subject to renewal by mutual consent.

We recently purchased the following property:

Location	Primary Purpose	Area (in square feet)	Sale Deed
501 and 502, Sumer Plaza, Village Marol, Mumbai	Mobile data products division and sales division	7,985	July 21, 2007

Further, we have been allotted a flat at Flat Number 701, 7th Floor, Elizabeth Home, St. Francis Avenue, Santacruz (W), Mumbai, measuring 745 square feet, which is under construction, vide an allotment letter dated March 8, 2007. Upon completion of construction of the said property and execution of the agreement for sale, we intend to use the said flat as a guest house.

The following table sets forth details of our leased properties as of January 31, 2008:

Location	Primary Purpose	Area (in square feet)	Lease Expiration Date
India:			
26 Bannerghatta Road, J.P. Nagar III Phase, Bangalore	Registered office	61,722	February 10, 2011
JP Nagar III Phase, Bangalore (1)	Administration and support services	13,535	January 31, 2012
Begur Hobli, Bangalore	Administration, support services and business operations	76,523	July 31, 2012
#80, Biligiri, 5th A Cross, 16 Main, BTM II Stage, Bangalore – 76	Guest house	5,000	May 1, 2008
Military Road, Marol, Andheri, Mumbai	Mobile Data Products	3,700	August 13, 2011
Nariman Point, Mumbai	Sales	1,570	June 30, 2010
Makwana Road, Marol, Andheri (East), Mumbai	Mobile Data Products	2,450	July 21, 2008
Dhairya Residency, 501, 5th Floor, 12th Road, Khar (W), Mumbai – 52	Guest house	2,150	March 2, 2010
Bhikaji Cama Place, Delhi	Sales	1,481	August 31, 2008
M G. Road, Gurgaon, Haryana	Sales	1,559	August 28, 2010
Bangladesh:			

Location	Primary Purpose	Area (in square feet)	Lease Expiration Date
No. 39, Road No. 14A (New), Dhanmindi R.A. Satmaschid road, Dhaka	Sales	2,800	January 31, 2008*
Australia:			
Walker Street, Sydney	Sales	80	June 30, 2008
Singapore:			
Raffles Place, Singapore	Business Development	150	Not applicable [(3)]
Indonesia:			
Jl. HR Rasuna Said, Jakarta	Sales	Not Available[(4)]	Not applicable [(3)]

*Company is in the process of obtaining renewal of the agreement

Note:

(1) We have vacated the premises and are currently looking for a new tenant to take over our lease. Our lease will be terminated without penalty once the new tenant takes over the lease.

(2) Lease automatically renews on a monthly basis unless terminated by one month prior written notice.

(3) Address provided to our Company as a communication address for corresponse in Indonesia. Thus, the area is not specified in the agreement.

We believe that our existing facilities are adequate for our current requirements and that additional space can be obtained on commercially reasonable terms to meet our future requirements.

Indian Governmental Regulations

See "Government Approvals" and "Other Regulatory and Statutory Disclosures" on page 269 and page 274 respectively for a summary of the Indian governmental laws and regulations that are or may be applicable to telecommunications solutions providers like us.

Legal Proceedings

See "Outstanding Litigation and Material Developments" on page 264.

Vox mobili S.A.

On September 10, 2007, we completed the acquisition of the entire issued share capital of Vox mobili S.A. ("**Vox mobili**"), a provider of telecommunications related value added services focused on global management of personal and group data such as personal data management, wireless synchronization and embedded client solutions to telecommunications operators, Internet Service Providers ("**ISPs**") and cable operators.

Vox mobili is a *societe anonyme* organized under the laws of France in 2000. Its registered office is located at 36 rue Brunel, 75017, Paris, France. Vox mobili has a wholly owned subsidiary, Vox mobili Inc., which was incorporated in the State of Washington, United States in 2003 to provide technical support services to one of Vox mobili's customers, AT&T Wireless.

The consideration payable for the acquisition of Vox mobili is subject to a contingent earn-out valuation adjustment based on the achievement of certain performance targets by the Vox mobili group for its fiscal 2007. The maximum consideration payable consists of €22.3 million in cash and the issuance of 423,722 new equity shares to the founding shareholders of Vox mobili (the "**Founders**"). Part of the consideration was paid into an escrow account on the completion date of the acquisition, which shall be released to the Founders if they remain employed by Vox mobili 24 months after the completion date. In addition, part of the consideration was paid into a separate indemnity escrow account to indemnify us against any losses arising from any breach of representations and warranties provided by the Founders, including any losses arising from a third party claim. The monies in the indemnity escrow account shall be released to the Founders in three yearly tranches commencing on the first anniversary of the completion date if no claim is made on the indemnity by us.

In addition, we have implemented an employee stock option plan (the "**Vox mobili ESOP**") for the key employees of Vox mobili. The total value of the Vox mobili ESOP is €1.3 million to be payable in three tranches. In the event that the Vox mobili ESOP is not implemented, we have agreed to pay to the key employees an amount equal to €1.3 million subject to their continued employment with Vox mobili.

Vox mobili's Business

Vox mobili is a provider of data products in the telecommunications related value added services industry with several well-established customers in Europe and the United States. By acquiring Vox mobili, we thereby acquire their highly customizable, reliable and scalable phone back-up, synchronized address book and mobile paparazzi solutions, which we intend to integrate with our multi-modal platform for delivery to our carrier customers as well as to Vox mobili's existing and future customers.

Phone Back-up Solution

The phone back-up solution is Vox mobili's primary product. This solution allows mobile phone users to easily back-up content stored on their handset such as contact directory, calendar, SMS, pictures, ringtones, music and videos on the telecommunications operator's secure network server. Vox mobili provides online web access and a WAP portal access to mobile phone users to manage their backed-up data. As a result, the end-user is protected from the loss of content stored on their handset due to handset equipment failure or loss of handset. The end-user can also visualize the backed up content and access advanced features such as booklet printing, album creation and data porting.

Synchronized Address Book

This is a carrier-grade solution that provides standards-based synchronization support to enable users to access a central network address book, which can be synchronized with other personal address books stored in any handheld device, personal computer or mobile phone.

Mobile Paparazzi Solution

This solution allows users to quickly and easily upload the photos and videos which they have taken with their camera phones to their favorite internet blogs, online albums and web sites. End-users can easily publish information and content which they have recorded on their mobile phones on popular websites such as social networking websites.

Customers

As of December 31 2007, Vox mobili had 21 customers worldwide. Vox mobili delivers its value added services by granting software licenses to customers for license fees. In addition, Vox mobili charges its customers for technical support and maintenance services. A few major customers account for a significant portion of Vox mobili's revenue. The loss of any one of their major customers or a decrease in the volume of sales from these customers or a decrease in the price at which Vox mobili offers their services to them may adversely impact its revenue and profitability.

In addition, while Vox mobili's costs are distributed throughout the year, its revenue is cyclical and concentrated largely in the third and fourth quarters of its fiscal year (which ends on December 31 of each year) due to a number of factors outside the control of Vox mobili, including the timing of its customers projects which result in seasonal variations in the demand for Vox mobili's products and services. The cyclical nature of Vox mobili's revenue causes fluctuations in revenue. Vox mobili's quarterly results of operations have varied in the past and are expected to continue to do so in the future. In addition, Vox mobili forecasts the volume and timing of its customer orders for its operational and financial planning on the basis of many factors and subjective judgments. Because Vox mobili generally sells its products on a purchase order basis and not under long-term contracts, there can be no assurance that such forecasts are accurate. However, Vox mobili has hired and trained its sales and technical employees based on its expectations of future revenue and gross margin. As a result, a significant portion of its employee expenses, which represent a significant proportion of its overall expenses, is relatively fixed in the short term. Therefore, failure to generate revenue and gross margin according to its expectations in a particular quarter could have a material adverse affect on its results of operations for that quarter and for future periods. This may in turn adversely affect our business, financial condition and results of operations.

Most of Vox mobili's customers have long payment terms. Vox mobili typically delivers its products to customers in advance of receipt of a purchase order. Payment will be made pursuant to the purchase order but customers may take several months to issue the purchase order. In addition, Vox mobili extends credit, which typically ranges between 45 to 90 days, to its customers. The long payment cycle and exposure to losses on sales of products may have an adverse effect on Vox mobili's business, results of operations and financial condition. Vox mobili's cash

flow generally lags behind its sales and this may result in Vox mobili operating at a negative cash flow for certain periods in the future. If Vox mobili is unable to consistently generate sustained positive cash flow from operations, it must rely on debt or equity financing.

In addition, Vox mobili depends on strategic partners in regions where it does not have a strong market share, such as South America and Asia, to market and resell its products. If any of the reseller contracts are terminated, it may have a material adverse affect on Vox mobili's revenue and results of operations.

Employees

As of January 31, 2008, Vox mobili had 43 employees.

Vox mobili's employees are not unionised and Vox mobili has never experienced any work stoppages. Vox mobili believes that its employee relations are good.

Consolidated Financial Statements

The fiscal year end of Vox mobili is December 31. The stand-alone financial statements of Vox mobili as of and for the nine months ended September 30, 2007, six months ended September 30, 2007 and 2006, twelve months ended March 31, 2007 and the years ended December 31, 2006, 2005 and 2004 included at page 208 in this Prospectus have been audited by Caprogec Audit S.A., an independent registered public accounting firm.

The stand-alone financial statements are prepared and presented in accordance with French GAAP, together with a reconciliation to Indian GAAP, in Euros with a convenience translation into Indian Rupees using the Reserve Bank of India exchange rate as of the end of each period presented. The historical results do not necessarily indicate Vox mobili's expected results for any future period. The financial statements of Vox mobili do not include the results of its subsidiary, Vox Mobili Inc., as those are not material to its financial condition or results of operations.

For adjustments for conversion to Indian GAAP of the French GAAP Vox mobili financial statements, please see "Financial Statements of Vox Mobili SA" on page 208 of this Prospectus.

Legal Proceedings

Except as disclosed under the section "Outstanding Litigation and Material Developments" on page 264, there is currently no pending material litigation against Vox mobili or its officers and directors.

REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India, Government of Karnataka, certain international treaties and conventions to which India is a signatory and the respective bye laws framed by the local bodies incorporated under the laws in the State of Karnataka. The information detailed in this chapter has been obtained from the various legislations, international treaties and conventions, and the bye laws of the respective local authorities that are available in the public domain.

Intellectual Property

Our intellectual property includes our registered intellectual property rights, including patents and patent applications made by us in relation to various inventive products and processes and registered, as well as unregistered rights in intellectual property including copyrights in relation to software. The salient features of the legal regime governing the acquisition and protection of intellectual property in India are briefly outlined below. For further details on the above, see "*Our Business – Intellectual Property*" on page 74.

Patent Protection

The Patents Act, 1970 ("**Patents Act**") is the primary legislation governing patent protection in India.

In addition to broadly requiring that an invention satisfy the requirements of novelty, utility and non obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria. The term of a patent granted under the Patents Act is for a period of twenty years from the date of filing of application for the patent.

The Patents Act deems that computer programmes per se are not 'inventions' and are therefore not entitled to patent protection. This position was diluted by the The Patents Amendment Ordinance, 2004 which included as patentable subject matter:

a) Technical applications of computer programs to industry; and
b) Combinations of computer programs with the hardware.

However, the Patents Amendment Act, 2005 does not include this specific amendment and consequently, the Patents Act, as it currently stands, disentitles computer programs *per se* from patent protection.

The public use or publication of an invention prior to the making of an application for a patent, may disentitle the said invention to patent protection on grounds of lack of novelty. Under the Patents Act, an invention will be regarded as having ceased to be novel (and hence unpatentable), inter alia, by the existence of:

i. any earlier patent on such invention in any country;
ii. prior publication of information relating to such invention;
iii. an earlier product showing the same invention; or
iv. a prior disclosure or use of the invention that is sought to be patented

For details in relation to the risks arising from the above position see "Risk Factors" on page xi.

Following its amendment by the Patents Amendment Act, 2005, the Patents Act permits opposition to grant of a patent to be made, both pre-grant and post–grant. The grounds for such patent opposition proceedings, *inter alia,* include lack of novelty, inventiveness and industrial applicability, non-disclosure or incorrect mention of source and geographical origin of biological material used in the invention and anticipation of invention by knowledge (oral or otherwise) available within any local or indigenous community in India or elsewhere.

The Patents Act also prohibits any person resident in India from applying for patent for an invention outside India without making an application for the invention in India. Following a patent application in India, a resident must wait for six weeks prior to making a foreign application or may obtain the written permission of the Controller of Patents to make foreign applications prior to this six week period. The Controller of Patents is required to obtain the prior consent of the Central Government before granting any such permission in respect of inventions relevant for defense purpose or atomic energy.

This prohibition on foreign applications does not apply, however, to an invention for which a patent application has first been filed in a country outside India by a person resident outside India.

International Patent Protection Mechanisms

The extent of patent protection granted by any national patent law is limited to the jurisdiction of the country of registration of the said patent. Therefore, the protection of patents on an international scale ordinarily requires that patent applications be filed and granted in multiple jurisdictions. In order to avoid multiplicity of applications, mechanisms under various international treaties have evolved providing for the effective filing of simultaneous patent applications in multiple jurisdictions by filing of a single international application. The Patent Co-operation Treaty, 1970, ("**PCT**") creates one such mechanism whereby filing an application under the PCT results in the effective filing of a separate application in each of several designated countries under the PCT.

An application under the PCT procedure is processed in two phases, i.e.:

a. an international phase wherein an international application is filed in the International Bureau; and
b. a national phase consisting of the conversion of the application into national patent applications in designated countries.

A PCT application may be filed by a national or resident of a state which is a signatory to the PCT at the patent office of such state at the WIPO International Bureau. At the filing stage, the applicant indicates those contracting states in which he wishes his application to form an effective filing. Upon filing, the invention, which is claimed under the application, is subjected to an "international search" which is carried out by an International Searching Authority identified by the patent filing office. In the event that the international search results in any evidence of prior art, which resembles the claim being searched for, the applicant has the option to either withdraw his application, or defend the claim at the national level with each national patent office. If the application is not withdrawn, it is published in the International Bureau along with the international search report and communicated to the patent office in each designated country. Subsequently, upon the applicant electing to do so, patent applications are submitted to the national phase wherein the claimed invention is examined by the national patent offices of the designated countries for grant of the patent.

Another international treaty governing international patent protection is the Paris Convention for the Protection of Industrial Property, 1883 (the "**Paris Convention**"). The Paris Convention requires its member countries to guarantee to the citizens of the other countries the same rights in patent and trademark matters that it gives to its own citizens. Further, in case of patent filings in multiple jurisdictions, this treaty grants a right of priority to the applicant which means that the applicant who has filed an application in any contracting states, may apply for protection in any other contracting states within 12 months and claim priority over other applications which have been filed by other applicants during the said 12 month period.

Copyright Protection

The Copyright Act, 1957 ("**Copyright Act**") governs copyright protection in India. Under the Copyright Act, copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings. Software, both in source and object code, constitutes a literary work under Indian law and is afforded copyright protection. Following the issuance of the International Copyright Order, 1999, subject to certain exceptions, the provisions of the Copyright Act apply to nationals of all member states of the World Trade Organisation.

While copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration constitutes prima facie evidence of the particulars entered therein and creates a rebuttable presumption favoring the ownership of the copyright by the registered owner. Copyright registration may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Once registered, copyright protection of a work lasts for a 60-year period following the death of the author.

Reproduction of a copyrighted work for sale or hire, issuing of copies to the public, performance or exhibition in public, making a translation of the work, making an adaptation of the work and making a cinematograph film of the work without consent of the owner of copyright are all acts which expressly amount to an infringement of copyright. With respect to computer software, in addition to the above, any unauthorised sale and commercial rental of software also amount to infringement of copyright. The Copyright Act also prescribes certain fair use exceptions which permit certain acts which are otherwise considered copyright infringement. In respect of computer software, these fair use exceptions would include:

a) the making of copies or adaptations of a computer program by the lawful possessor of a copy of such

computer program in order that it may be utilised for the purposes for which it was supplied;

b) the right of the lawful possessor to obtain any other essential information for interoperability of an independently created computer program, if that information is not otherwise readily available;
c) the observation, study, or test of functioning of the computer program in order to determine the ideas and principle which underline any elements of the program while performing such acts necessary for the functions for which the computer program is supplied; and
d) the making of copies or adapting the computer program from a personal legally obtained copy for any non-commercial personal use.

The remedies available in the event of infringement of copyright under the Copyright Act include civil proceedings for damages, account of profits, injunction and the delivery of the infringing copies to the copyright owner.

The Copyright Act also provides for criminal remedies including imprisonment of the accused and the imposition of fines and seizures of infringing copies. A third set of remedies are administrative or quasi judicial remedies which are prosecuted before the Registrar of Copyright to ban the import of infringing copies into India and the confiscation of infringing copies.

International Treaties for Copyright Protection

India is a signatory to the Convention of International Union for the Protection of Literary and Artistic Works (the "**Berne Convention**"), the Universal Copyright Convention, 1952, (the "**UCC**") the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations, 1961 and as a member of the World Trade Organisation is a signatory to the Agreement on Trade Related aspects of Intellectual Property Rights (the "**TRIPS Agreement**"). The TRIPS Agreement embodies a set of minimum standards that all signatories have to adhere to in respect of all forms of intellectual property protection, including copyright.

The Berne Convention requires that the signatory countries provide the same rights to foreigners from other member countries as to their own nationals and mandates automatic protection not subject to procedural formalities. It also provides for minimum substantive standards of protection, dealing with the duration of copyright and the exclusive rights which the author shall hold. While the Berne Convention does not prescribe what works are required to be protected under it, computer software has been brought under its purview by means of Article 10 of the TRIPS Agreement.

The UCC provides for similar protection, including national treatment and minimum substantive rights to be granted to copyright holders. The substantive provisions include the right of foreign national of a signatory country whose work was first published outside a signatory state to claim copyright protection in that signatory state under the UCC upon the printing of a copyright symbol and certain other information.

Trademarks

The Trade Marks Act, 1999 (the "**Trademark Act**") governs the statutory protection of trademarks in India. In India, trademarks enjoy protection under both statutory and common law.

Indian trademarks law permits the registration of trademarks for goods and services. Certification trademarks and collective marks are also registrable under the Trade Mark Act.

An application for trademark registration may be made by any person claiming to be the proprietor of a trademark and can be made on the basis of either current use or intention to use a trademark in the future. The registration of certain types of trade marks are absolutely prohibited, including trademarks that are not distinctive and which indicate the kind or quality of the goods.

Applications for a trademark registration may be made for in one or more international classes. Once granted, trademark registration is valid for ten years unless cancelled. If not renewed after ten years, the mark lapses and the registration for such mark has to be obtained afresh.

While both registered and unregistered trademarks are protected under Indian law, the registration of trademarks offers significant advantages to the registered owner, particularly with respect to proving infringement. Registered trademarks may be protected by means of an action for infringement, whereas unregistered trademarks may only be protected by means of the common law remedy of passing off. In case of the latter, the plaintiff must, prior to proving passing off, first prove that he is the owner of the trademark concerned. In contrast, the owner of a

registered trademark is prima facie regarded as the owner of the mark by virtue of the registration obtained.

Trade Secrets and Confidential Information

In India, trade secrets and confidential information enjoy no special statutory protection and are protected under Common Law.

Software Technology Parks Scheme ("STP Scheme")

The Software Technology Parks scheme was introduced by the Government of India with the objective of encouraging, promoting and boosting the software exports from India.

The STP Scheme provides infrastructure such as data communication facilities, operational space, common amenities, single window clearances and approvals including project approvals, import certification and other facilities to boost software exports from India. In addition to the infrastructure support, an STP unit enjoys the following Fiscal benefits, rendering it attractive for entrepreneurs:

a. All hardware and software imports are exempt from customs duties
b. A STP unit is exempt from payment of corporate tax upto the year 2010.
c. Domestic purchases by STP units are eligible for the benefit of deemed exports to suppliers
d. Capital goods purchased from the domestic tariff area (an area within India but outside a notified STP) are entitled for exemption from excise duty and reimbursement of central sales tax;
e. The sales in the domestic tariff area shall be permissible upto 50% of the export in value terms
f. 100% depreciation on capital goods over a period of five years.

Many state governments have also added to the basket of incentives by providing for low rates of sales tax on products in the information technology sector, besides providing concessional tariff on electricity.

Setting up an STP Unit

In order to avail the benefits as envisaged by the Government of India, a company is required to register itself with the jurisdictional STPI (the body which administers the STP Scheme). The registration of a unit will normally be granted in about 25 days.

A company desirous of obtaining the STP registration is also required to obtain an Importer-Exporter Code from the Director General of Foreign Trade. Upon approval of the application, a company is required to execute an agreement with the STPI agreeing to comply with conditions prescribed in the STP approval, *inter alia* the export obligations and customs bonding of the premises.

Private Warehouse Licence

Following the approval under the STP, a company is required to obtain an approval from the Customs authorities for setting up a Private Bonded Warehouse and also an In-Bond Manufacturing order to store the Capital goods obtained free of Customs / Excise duty and to carry on the manufacture of computer software.

Compliances under the Scheme

The principal compliance required of a company accorded approval under the STP scheme is the fulfilment of the export obligation. Additionally, the unit is required to file monthly, quarterly and annual returns to STPI in the nature of a performance report indicating the export performance and the CIF value of imported goods and foreign currency spent on incidental expenses.

Labour laws

There are various legislations in India which have defined 'employee' and 'workman' based on factors which *inter alia* include nature of work and remuneration. People who come under the definition of workman or employee are entitled to various statutory benefits including gratuity, bonus, retirement benefits and insurance protection.

Termination of the employment of a non-workman is governed by the terms of the relevant employment contract. As regards a 'workman', the IDA sets out certain requirements in relation to the termination of services. These

include a detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations upon retrenchment. The applicability of such laws depends on the number of workers employed and their monthly remuneration.

Shops and Commercial Establishments Legislation

The conditions of service of employees of IT companies are regulated, *inter alia*, by the relevant shops and establishments law.

Karnataka Shops and Commercial Establishments Act, 1961

The Karnataka Shops and Commercial Establishments Act, 1961 provides for the regulation of the conditions of work and employment in shops and commercial establishments. With a view to achieve this, it prescribes regulations in relation to hours of work, annual leave, wages, employment of women, maintenance of records etc. Pursuant to the Millennium IT Policy issued by the Government of Karnataka, Section 3 of the 1961 Act has been amended to exempt IT / ITES establishments from complying with the following requirements of the Shops Act in Karnataka:

a. Restrictions on opening and closing hours of a shop/establishment
b. Compulsory closure of the establishment on one day of the week

Safety of Women

Under the Shops Act as it existed prior to the 2002 amendment, women were prohibited from working in night shifts. However, a relaxation was provided to information technology and information technology enabled services establishments from compliance with this provision subject to prior approval from the labour department and adherence to guidelines framed by the department in this respect.

Accordingly, the labour department has issued guidelines which seek to clearly define the level and nature of security arrangements to be provided for women employed during the night in the IT/ITES sector. The guidelines provide, *inter alia*, for establishment of a control room to monitor the movement of vehicles, posting of adequate female security guards, verification of antecedents of drivers etc to ensure the safety and security of women employees working on night shifts.

In addition to the above, pursuant to a decision of the Supreme Court, certain mandatory obligations have been imposed on employers in work places to prevent occurrence of sexual harassment. These include, *inter alia*, the setting up of an appropriate complaint mechanism for speedy redressal of complaints relating to sexual harassment.

Employees State Insurance Act, 1948

The Employees State Insurance Act, 1948 (the **"**ESI Act**"**) provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1972 provides for payment of gratuity to employees employed in factories, shops and other establishments who have put in a continuous service of 5 years, in the event of their superannuation, retirement, resignation, death or disablement due to accidents or diseases. The rule of '5 year continuous service' is however relaxed in case of death or disablement of an employee. Gratuity is calculated at the rate of 15 days wages for every completed year of service with the employer. Presently, an employer is obliged for a maximum gratuity payout of Rs. 350,000 for an employee.

Employees Provident Fund and Miscellaneous Provisions Act, 1952.

The Employees Provident Fund and Miscellaneous Provisions Act, 1952 (the "**EPF Act**") provides for the institution of compulsory provident fund, pension fund and deposit linked insurance funds for the benefit of employees in factories and other establishments. A liability is placed both on the employer and the employee to

make certain contributions to the funds mentioned above.

The Maternity Benefit Act, 1961

The purpose of the Maternity Benefit Act, 1961 is to regulate the employment of pregnant women and to ensure that they get paid leave for a specified period during and after their pregnancy. It provides, inter alia, for payment of maternity benefits, medical bonus and enacts prohibitions on dismissal, reduction of wages paid to pregnant women, etc.

The Contract Labour (Regulation and Abolition) Act, 1970

The purpose of the the Contract Labour (Regulation and Abolition) Act, 1970 is to regulate the employment and protect the interests of labourers who are hired on the basis of individual contracts. In the event that any aspect of the activity is outsourced and is carried out by labourers hired on a contractual basis, then compliance with the the Contract Labour (Regulation and Abolition) Act, 1970 will also be necessary.

HISTORY AND CERTAIN CORPORATE MATTERS

Our History

Our Company was incorporated as 'Onscan Technologies India Private Limited' on September 27, 2000 by our Promoter OMSI, which was an incubated startup of Infosys Technologies Limited ("**Infosys**"), to develop telecommunication software platforms and applications for the mobile telecommunications industry. Subsequently, to reflect the business of the Company of wireless applications, the name of our Company was changed to 'OnMobile Asia Pacific Private Limited' with effect from April 10, 2001 and a fresh certificate of incorporation consequent on change of name was issued by the RoC in this regard. The name of our Company was further changed to OnMobile Global Limited and status of our Company was changed to a public limited company by a special resolution of the members passed at the annual general meeting held on August 17, 2007. The fresh certificate of incorporation consequent to the change of name was granted to our Company on August 21, 2007, by the RoC.

Recent Acquisitions and Investments

Acquisition of ITfinity Solutions Private Limited

In December 2006, our Company acquired 51% share capital of a company, ITfinity, a mobile technology software specialist based in India with an expertise in developing mobile data products. The total consideration for the acquisition was Rs. 195.07 million payable by our Company in cash and issue of 5,068 Equity Shares to certain employees of ITfinity at a premium of Rs. 3,622 per share. By virtue of the acquisition, ITfinity became a subsidiary of our Company and remained so until May 14, 2007.

In order to acquire the remaining 49% of the equity of ITfinity ("**Remaining Shares**") held by Hemant Attray and Krishna Jha, the founders of ITfinity ("**Founders**"), our Company along with ITfinity and the Founders entered into a Merger-cum-Share Purchase Agreement dated December 22, 2006 ("**Merger Agreement**") wherein, the Remaining Shares were agreed to be acquired either by way of a court merger or consequently on non-occurrence of the merger by a given date, purchase of the entire Remaining Shares. Pursuant to the above, a scheme of amalgamation and arrangement was filed in the High Courts of Mumbai and Karnataka.

The parties to the Merger Agreement also entered into an escrow agreement dated December 22, 2006 ("**Escrow Agreement**"). According to the terms of the Merger Agreement, the Remaining Shares and the consideration payable shall be deposited with an escrow agent appointed by the parties and shall be released from time to time in accordance with the provisions of the Merger Agreement and the Escrow Agreement. In addition, pursuant to the merger, the Founders have become the employees of the Company and employment agreements have been entered into with each of the Founders in this regard ("**Employment Agreements**")

Further, according to the Merger Agreement, the consideration for the transaction was payable by our Company by way of issue and allotment of 30,997 Equity Shares and 21,774 optionally convertible preference shares of our Company to the Founders. Out of the total shares issued and allotted to the Founders, 24,430 Equity Shares of our Company are to remain in escrow up to the period of employment of the Founders which period shall be up to December 20, 2008 ("**Employment Period**"). After the expiration of the Employment Period, the shares are required to be released to the Founders. According to the Employment Agreement read along with the Merger Agreement and the Escrow Agreement, if in case the employment is terminated within the Employment Period due to reasons stated therein, the Equity Shares kept with the escrow agent are required to be transferred back to our Company or to Arvind Rao or Chandramouli Janakiraman at par value. Further, 5,068 Equity Shares were allotted to Nageswara Rao, Brijesh Gajaria and Vinay Patodia, employees of ITfinity against acquisition of equity shares of ITfinity for an amount of Rs. 18,406,976 pursuant to Share Purchase Agreement dated December 22, 2006. It was further stated in the Merger Agreement that all the allotments made under the Merger Agreement will be adjusted for any bonus issue, rights issue, share split or share consolidation.

Further, the scheme of amalgamation and arrangement has been approved by the High Court of Karnataka by order dated March 27, 2007 and the High Court of Mumbai by order dated April 21, 2007. The scheme is effective from May 14, 2007 which is the last date when the copies of the orders of the High Courts of Mumbai and Karnataka sanctioning the scheme were filed with the Registrar of Companies at Mumbai and Karnataka.

Acquisition of Vox mobili S.A.

Our Company acquired the entire shareholding in Vox mobili SA., a company incorporated on December 30, 1999 and registered with the Paris Trade and Companies Registry with its registered office located at 36, rue Brunel, 75017 Paris, France. The acquisition has been approved by the FIPB on September 5, 2007 made by our Company in this regard. For further details see "Shareholders' Agreements and other Material Agreements – Agreements for acquisition of Vox mobili SA" at page 90 below and "Details of our Subsidiaries – Vox mobili S.A." at page 97 below.

Investment in Ver Se Innovation Private Limited

Our Company has signed a subscription cum shareholders agreement dated October 26, 2007 with the promoters of Ver se Innovation Private Limited for investment by our Company of up to 51% of the paid up share capital of Ver se Innovation Private Limited. Ver se Innovation Private Limited has been assigned a software developed by its promoters which operates as a contextual diversified vertical search engine. Our Company has paid Rs. 22,000,556 to Ver se Innovation Private Limited for the 51% equity share capital of the company. Further, our Company has agreed to a further capital commitment in Ver se Innovation Private Limited of up to Rs. 66,000,000 by way of further equity (including warrants) or any debt instrument including optionally convertible preference shares, term loans or any other such instrument or arrangement as may be agreed by and between the parties as per the terms and conditions of the subscription cum shareholders agreement. For further details see "Details of our Subsidiaries – Ver se Innovations Private Limited" at page 98 below and "Shareholders' Agreement and other Material Agreements – Agreements for investment in Ver Se Innovation Private Limited" on page 92 below.

Change of Registered Office

Following are the details of change of the Registered Office:

From	To	Date of Board resolution
1003-1004, Prestige Meridian II, 30, M.G.Road, Bangalore 560 001	Pavithra Complex, Site No.1, 1st floor, 2nd Cross, 27th Main, BTM 1st Stage, Bangalore 560 068	July 5, 2004
Pavithra Complex, Site No.1, 1st floor, 2nd Cross, 27th Main, BTM 1st Stage, Bangalore 560 068	No. 26, Bannerghatta Road, J.P. Nagar 3rd Phase, Bangalore 560 076	April 14, 2006

Key Events and Milestones

Date	Event
September 2000	Incorporation of our Company and establishment of concept of products for mobile space
November 2001	First customer for telecom value added services
July 2002	Launch of multi-modal voice portal platform and applications
October to December 2003	Addition of three more customers in the telecom sector for speech driven products
June 2004	Launch of multi-modal service offerings such as music jukebox, karaoke and reverse auction
June 2004	Launch of ringback tone application service
October 2004	Launch of services to first international telecom service customer
November 2004	Launch of services for telecom service providers in the public sector
October 2005	Launch of services with first media customer
October 2005	Launch of M-commerce services in India (railway ticketing)
September 2006	Investments by consortium of investors comprising Deutsche Bank AG, Jade Dragon (Mauritius) Limited and Kings Road Investments (Mauritius) Limited
December 2006	Acquisition of ITfinity and their On Device Portal services and products
July 2007	Awarded Top VAS Company of India for fiscal 2007, as per the V&D100 survey conducted by Voice&Data
September 2007	Acquisition of 100% of the share capital of Vox mobli S.A.
October, 2007	Acquisition of 51% of the share capital of Ver Se Innovation Private Limited
November, 2007	Awarded winner of the Deloitte Technology Fast 50 India 2007 Program conducted by Deloitte Touche Tohmatsu, Asia Pacific

Our Main Objects

Our main objects enable us to carry on the business that is carried on and proposed to be carried on by us.

Our main objects as contained in our Memorandum are as follows:

- To carry on the business of designing, developing, researching and otherwise dealing or handling all types of telecom products, computers and computer related systems, software systems, hardware systems, communication systems, very large scale standard and semi custom integrated circuits as well as components and parts or dealing with all products and services targeted at the enterprise, wireless carrier and m-commerce markets;

- Servicing of all types of telecom and all computer related systems, communication systems, software systems, hardware systems; and

- Manufacturing, designing, developing, improving, marketing, selling and licensing telecom products, hardware, software, firmware and programs of any and all description.

Amendments to our Memorandum of Association

Since incorporation, the following changes have been made to the Memorandum of Association:

Date of Shareholders' Approval	Particulars of Amendment
August 17, 2007	Increase in the authorised capital from Rs. 50,000,000 comprising 4,500,000 Equity Shares of Rs. 10 each and 500,000 Preference Shares of Rs. 10 each to Rs. 750,000,000 comprising 7,450,000 Equity Shares of Rs. 10 each and 500,000 Preference Shares of Rs. 10 each.
July 24, 2006	Re-classification of the authorised capital by cancellation of 2,000,000 convertible non-cumulative preference shares of Rs. 10 each amounting to Rs. 20,000,000, increase of Equity Shares to 4,500,000 Equity Shares of Rs.10 each amounting to Rs. 45,000,000 and creation of 500,000 preference shares of Rs. 10 each amounting to Rs. 5,000,000.
March 5, 2001	Increase in the authorised capital from Rs. 30,000,000 comprising 1,000,000 Equity Shares of Rs. 10 each amounting to Rs. 10,000,000 and 2,000,000 convertible non-cumulative preference shares of Rs. 10 each amounting to Rs. 20,000,000 to Rs. 50,000,000 comprising 3,000,000 Equity Shares of Rs. 10 each amounting to Rs. 30,000,000 and 2,000,000 convertible non-cumulative preference shares of Rs. 10 each amounting to Rs. 20,000,000.
November 27, 2000	Increase in the authorised capital from Rs. 10,000,000 comprising 1,000,000 Equity Shares of Rs. 10 each to Rs. 30,000,000 comprising 1,000,000 Equity Shares of Rs. 10 each amounting to Rs. 10,000,000 and 2,000,000 convertible non-cumulative preference shares of Rs. 10 each amounting to Rs. 20,000,000.

Shareholders' Agreement and other Material Agreements

Agreement dated May 11, 2006

An agreement dated May 11, 2006 ("**Agreement**") was entered into between our Company, OMSI, Argo, Arvind Rao and Chandramouli Janakiraman to agree to *inter alia* a plan of restructuring the shareholding of OMSI and our Company, amend certain Articles of Association of our Company, elect directors to the Board of our Company. The Board of our Company initially following the execution of the Agreement and upon holding a Board meeting to induct new directors was agreed to comprise H. H. Haight IV as a nominee of Argo, one Infosys nominee, Arvind Rao, Chandramouli Janakiraman and four independent directors, namely Vikram Kirloskar, Prof. Jayanth Varma, Sridar Iyengar and Naresh Malhotra. Further, it was decided to form audit and compensation committees for OMSI and our Company, wherein Argo would have the right to designate one member each of these committees. Infosys has not exercised its right to appoint a nominee on our Board.

It was further agreed that Arvind Rao would be employed by our Company as a chief executive officer. The parties further agreed that all decisions or resolutions pertaining to the business of our Company shall be made or passed with the approval of a simple majority of the Board of our Company and with the approval of the respective committees for matter pertaining to the committees. The parties also agreed that our Company shall be managed as a professional, board-managed company and that all shareholders voting for our Company and OMSI shall be on common stock basis, and on that basis all preferred stock holders of OMSI including Infosys signed a notice electing to convert preferred stock of OMSI into common stock. All preferred stock have been converted into

common stock. Infosys currently hold 17.89% of the common stock of OMSI. For details of the shareholding of OMSI please see "Our Promoters" on page 113.

Subsequently the plan of restructuring envisaged in the Agreement was not undertaken by the Parties. The OMSI Board on August 20, 2007 noted that the plan of restructuring as contemplated in the Agreement was not being undertaken.

Our Board by resolution dated July 12, 2007 and our members by special resolution passed pursuant to Section 81(1A) of the Companies Act dated August 17, 2007 approved this Issue. Our Board also resolved on August 21, 2007 to abandon any restructuring process until after conclusion of the IPO.

Thereafter, on September 7, 2007 the board of directors of OMSI noted that our Company was proposing an initial public offering and approved to participate in the initial public offering by way of an Offer for Sale.

Investment Agreement dated August 30, 2006

An investment agreement was entered into on August 30, 2006 as amended by an Addendum to the Investment Agreement of even date (together, the "**Investment Agreement**") between the Company, Deutsche Bank AG (**"DB"**), Jade Dragon (Mauritius) Limited ("**JD**"), Kings Road Investments Limited ("**Kings Road**", collectively referred to as the "**Investor**"), OMSI (the "**Parent Company**"), Argo Global Capital LL.C ("**Argo**"**),** Arvind Rao (the **"Key Equity Holder 1"**) and Chandramouli Janakiraman (the **"Key Equity Holder 2",** collectively referred to as the **"Key Equity Holders"**) pursuant to investment by the Investor by way of subscription for the preference shares ("**New Preference Shares**") and Equity Shares (the "**New Equity Shares**"). Simultaneously, a shareholders agreement was entered into ("**Shareholders Agreement**") between the Company, Investor, the Parent Company, Argo and Key Equity Holders. The Investment Agreement and the Shareholders agreement are collectively referred to as the **"Investment Documentation".**

Further, it has been agreed that the Company, the Parent Company and the Key Equity Holders ("**Covenentors**") shall use their best endeavours that the initial public offering of the Company ("**IPO**") shall be completed within eighteen months of the second closing which was September 26, 2006.

It was further agreed between the parties vide emails dated September 11 and 12, 2006 that the share certificates shall be issued in the name of Kings Road Investments (Mauritius) Limited.

Letter of Variation

A letter of variation ("**Letter of Variation**") has been executed on August 17, 2007 between Arvind Rao, Chandramouli Janakiraman, OMSI, Deutsche Bank AG, Jade Dragon (Mauritius) Limited, Kings Road Investments Limited, our Company and Argo Global Capital in order to proceed with, and facilitate the Issue which shall be deemed completed on the date of issuance and allotment of Equity Shares by our Company as part of the Issue on or before March 31, 2008 (the "**Long Stop Date**"), in accordance with the terms and conditions of the Letter of Variation.

Pursuant to this letter, the Investor has exercised its right under the Investment Agreement to convert the 353,629 New Preference Shares into Equity Shares.

The parties have agreed that in the event the Issue is not completed by the Long Stop Date, or such later date as may be agreed to in writing by the Investors at their sole discretion, the Investment Documentation shall automatically be deemed to have stood reinstated with effect from the first day immediately following the Long Stop Date. If the Issue shall not have been completed by the Long Stop Date, the Investor shall be allotted additional shares in accordance with the provisions of the Investment Agreement.

Additionally, in the event the Issue is not completed by the Long Stop Date, OMSI and the Key Shareholders have agreed to take all such actions and do all such things, as may be required by the Investor, to ensure that the Investor is placed in materially the same position and posses materially the same rights as though no waiver and/or amendment to the Investment Documentation and the Articles of Association of our Company had occurred.

Agreements for acquisition of Vox mobili S.A.

Share Purchase Agreement

Our Company entered into a share purchase agreement on July 18, 2007 ("**Share Purchase Agreement**") with Nicolas Frattaroli, Eric Vieillevigne, ("**Founders**" or the "**Warrantors**"), Alessandra Vieillevigne, Cécile Frattaroli and Luc Imbert (hereinafter referred to jointly as the "**Initial Shareholders**" or individually as an "**Initial Shareholder**"), (hereinafter referred to jointly as the "**Investors**" or individually as an "**Investor**"). The Initial Shareholders and the Investors being hereinafter referred to jointly as the "**Vendors**".

The Share Purchase Agreement is for purchase of the entire shareholding of Vox mobili S.A., which consists of 6,501,708 shares broken down into 2,500,000 class A shares and 4,001,708 class B shares. The maximum purchase price payable by our Company consisted of (i) EUR 22,255,192 payable in cash to the Investors and to the Founders and (ii) 32,594 Shares of our Company (the "**Purchaser's Shares**") payable to the Founders only ((i) and (ii), collectively, the "**Maximum Purchase Price**").

The Maximum Purchase Price corresponds to a purchase price payable by our Company to the Vendors for the Shares equal to EUR 21,035,192 (the "**Purchase Price**"), subject to an earn out valuation adjustment for a maximum amount in cash of EUR 3,520,000 based on the EBIDTA of Vox mobili S.A. and its subsidiary as at December 31, 2007 ("**Earn Out Valuation Adjustment**"). The Earn Out Valuation Adjustment is payable to the Founders and FCPR ALVEN CAPITAL II (the "**Beneficiaries**") after the closing date.

Further, certain employees of Vox mobili S.A. and/or its subsidiary ("**Key Employees**") have been granted stock options under the ESOP II 2007 giving right to Purchaser's Shares for a maximum total amount of EUR 1,300,000 in three tranches. The first tranche is for an equivalent value of EUR 400,000. The second tranche is for an equivalent value determined according to the EBITDA. The third tranche is for an equivalent value of EUR 500,000 provided that the Key Employee concerned is still employed by Vox mobili S.A. 24 months after the Closing Date.

The Purchaser has deposited EUR 658,000 to be deducted from the portion of the Purchase Price to be paid to the Founders. Further, on the date of payment of the earn out valuation adjustment our Company shall, if any Earn Out Valuation Adjustment is due, deposit ten per cent (10%) of the fraction of the earn out valuation adjustment paid to the Founders (i.e., 8.295% of the Earn Out Valuation Adjustment), in an escrow account opened with a first rate French bank, pursuant to an indemnity escrow agreement.

Further, our Company has deposited a fraction of the Purchase Price equal to EUR 1,885,192 in an escrow account opened with a first rate French bank.

The Share Purchase Agreement further states that each of the Warrantors shall, severally but not jointly, pro rata in accordance to the number of Shares owned by such Warrantor at Closing Date, pay to our Company or, as our Company may choose, to Vox mobili S.A. under the terms and conditions stated in the Share Purchase Agreement an amount which shall cover all losses incurred by our Company or Vox mobili S.A. and its subsidiary (a) any increase in the liabilities or reduction in the assets of Vox mobili S.A. and its subsidiary, if compared to the values of the same elements set forth in accounts as of December 31, 2006 of each of Vox mobili S.A. and its subsidiary, where the increase in the liabilities or the reduction in the assets arises out of or results from one or more facts or events having occurred before the said date; or (b) any inaccuracy of one or several of the representations and warranties of the Warrantors set forth in the Share Purchase Agreement; or (c) any breach of or failure to perform any covenant or obligation of such Warrantor contained in Share Purchase Agreement ("**Indemnifiable Events**").

Escrow Agreements

Our Company has executed Escrow Agreements on September 10, 2007 ("**Escrow Agreement**") each with Nicolas Frattaroli and Eric Vieillevigne (the "**Sellers**" and individually a "**Seller**") and a banking corporation organised under the laws of France (the "**Escrow Agent**").

According to the terms of the Escrow Agreement, on the Closing Date, the Purchaser has transfered to an escrow account, as payment of part of the Purchase Price, an amount of EUR 942,596 ("**Initial Escrow Amount**") (such amount, together with all interest and other income earned thereon on the Escrow Account is referred to herein as the "**Escrow Amount**").

The Escrow Amount shall be released to the Sellers, or to their legal heirs, as applicable, pursuant to the terms hereof should the Sellers be employed, as at September 10, 2009, by Vox mobili S.A. or any other subsidiary of our Company. In the event that the Seller should retire, resign or leave Vox mobili S.A. before September 10, 2009 as a result of a change in his position within Vox mobili S.A. which materially reduces his duties and responsibilities, a reduction in his level of fix compensation without his consent, his death, permanent invalidity,

serious illness or invalidity medically proven that would prevent him from working with Vox mobili S.A., the permanent invalidity or the decease or permanent invalidity of his spouse, or of one or more of his children or his dismissal for misconduct other than gross misconduct;, the Escrow Amount shall be released to our Company.

The Escrow Agent is required to within five (5) Business Days following the Release Date, distribute the Escrow Amount either to the Sellers or to our Company. The Sellers and our Company agree that the payment of the Escrow Amount to the purchaser shall constitute a reduction of the Purchase Price. The Escrow Agreement shall terminate on the Release Date.

Indemnity Escrow Agreement

Our Company has executed the Indemnity Escrow Agreement on September 10, 2007 along with Nicolas Frattaroli, Eric Vieillevigne (collectively, the "**Founders**") and HSBC de Baecque Beau, a banking corporation organised under the laws of France, the registered office of which is located at 3, Rue des Mathurins, 75009 Paris (the "**Escrow Agent**").

According to the terms of the Share Purchase Agreement, our Company has deposited EUR 658,000 to be deducted from the portion of the Purchase Price to be paid to the Founders. Further, on the date of payment of the earn out valuation adjustment our Company shall, if any Earn Out Valuation Adjustment is due, deposit ten per cent (10%) of the fraction of the earn out valuation adjustment paid to the Founders (i.e., 8.295% of the Earn Out Valuation Adjustment), in an escrow account opened with a first rate French bank, pursuant to an indemnity escrow agreement.

The Escrow Amount is to be held by the Escrow Agent in the Escrow Account as a security for the indemnification obligation of the Founders as provided in the Share Purchase Agreement. The Escrow Agreement also sets out the mechanism and the procedure for making claims and the delovement of the funds in the Escrow Account upon the parties, subject to the conditions stated therein.

Put Option Agreements

Our Company ("**Grantor**") has executed Put Option Agreements on September 10, 2007 along with each Nicolas Frattaroli and Eric Vieillevigne (the "**Beneficiaries**") granting to the Beneficiaries an irrevocable option ("**Option**") to sell the 16,297 shares of the Grantor issued by the Grantor ("**Shares**"), upon the terms and conditions set forth in this Agreement.

According to the terms of the Put Option Agreements, if the Grantor fail to complete an IPO and accordingly its shares are not listed on at least one of the NSE or the BSE by March 31, 2008 at the latest, either Beneficiary may exercise the Option at the earliest on April 1, 2008 and at the latest on September 30, 2008 (or such later date as may be mutually agreed upon by the parties). Further, either Beneficiary may exercise the Option in respect of part or all of the Shares, in one or several times subject to compliance with applicable laws. At least ninety (90) days prior to the proposed date of exercise (the "**Transfer Date**"), the Beneficiary exercising the Option shall serve upon the Grantor a notice in writing informing the Grantor of the proposed date of exercise of the Option (the "**Option Notice**"). The Option Notice shall be irrevocable.

Further, the price payable for each Share pursuant to the exercise of the Option shall be the share price (which is EUR 70.57) subject to the provisions of FEMA. The Beneficiary by this Agreement, has accepted the Option granted to him but reserves for himself the right whether to exercise it or not.

For further details, see "History and Certain Corporate Matters - Details of our Subsidiaries – Vox mobili S.A." at page 97 below.

Agreements for investment in Ver Se Innovation Private Limited

Our Company entered into a Subscription cum Shareholders Agreement ("**Agreement"**) on October 26, 2007 with Ver Se Innovation Private Limited, Mr. Virendra Gupta and Mr. Shailendra Sharma ("**Promoters**"). Pursuant to the Agreement, our Company acquired 10,412 equity shares ("**Subscription Shares")** of Ver Se Innovation Private Limited at a subscription price of Rs 2,113 per equity share, aggregating to Rs. 22,000,556 million ("**Subscription Amount")**, resulting in our Company holding 51% equity share capital of Ver Se Innovation Private Limited.

The Promoters are the innovators and developers of a software which operates as a contextual diversifies vertical research engine and have transferred and assigned all of their right, title and interest including their intellectual property rights in favour of Ver Se Innovation Private Limited.

Further, our Company has also agreed to a further capital commitment of upto Rs. 66 million by way of further equity or any debt instruments including optionally convertible preference shares, term loans or any other such instrument or arrangement as may be agreed to between the parties. Our Company may procure the capital commitment by bringing in other investors and the capital commitment of our Company shall stand reduced to the extent of the investment by the other investor. The capital commitment shall be subject to the valuation of Ver Se Innovation Private Limited being at all times equal to or greater that Rs 176 million. If the valuation falls below the said amount, then any further issue of shares or convertible securities by Ver Se Innovation Private Limited shall be at the discretion of our Company.

Further, an aggregate of 4,999 equity shares of Ver Se Innovation Private Limited held by the Promoters shall be kept in escrow with an escrow agent as per the terms of the escrow agreement of the even date executed between the Promoters, our Company and the escrow agent. The equity shares held in escrow shall be released in favour of the Promoters upon achievement by the company of certain milestones (for the financial years ended March 2008 and March 2009), as stated in the Agreement. In case the escrow shares are not released in accordance with the Agreement and the escrow agreement, the same will be transferred to our Company.

For further details see "History and Certain Corporate Matters - Details of our Subsidiaries – Ver se Innovations Private Limited" at page 98 below.

Agreements for the Secondary Sale

Two of the existing Shareholders of the Company mentioned in the table below have entered into agreements for the purpose of a Secondary Sale of their Equity Shares (the **"Sale Shares"**) to investors by way of share purchase agreements dated December 24, 2007 and respective amendment agreements dated January 11, 2008 ("**Share Purchase Agreements**"). The following are the particulars of the Secondary Sale:

Shareholder (Seller)	Investor	Number of Equity Shares (Sale Shares)	Consideration paid (In Rs., as per prevailing USD equivalent)
OnMobile Systems, Inc.	DPF India Opportunities Fund	185,882	78,999,850
Kings Road Investments (Mauritius) Limited	Bessemer India Capital Holdings II Limited	464,705	197,499,625
OnMobile Systems, Inc.	Quantum (M) Limited	1,726,849	733,910,825
OnMobile Systems, Inc. and Kings Road Investments (Mauritius) Limited	WF India Reconnaissance Fund Limited	129,410 from OMSI and 335,295 from Kings Road	197,499,625

In accordance with the terms of these agreements, investors who have acquired Sale Shares have paid a consideration of Rs. 425 per Sale Share (the "**Purchase Price**"), and the aggregate consideration has been deposited in escrow accounts with a view to facilitate the exercise of the Put Option (described below). For this purpose, the parties have entered into escrow agreements of even date with Deutsche Bank AG, London Branch as an escrow agent. Escrow agreements and respective amendment agreements have been entered into between OnMobile Systems, Inc. and DPF India Opportunities Fund, between Kings Road Investments (Mauritius) Limited and Bessemer India Capital Holdings II Limited, between OnMobile Systems, Inc. and Quantum (M) Limited and between OnMobile Systems, Inc., Kings Road Investments (Mauritius) Limited and WF India Reconnaissance Fund Limited. All the above escrow agreements dated December 24, 2007 and the respective amendment agreements dated January 11, 2008 are collectively called the "**Escrow Agreements**".

As per the terms of the Escrow Agreements, investors have wire-transferred the Escrow Amount (which is equal to the Purchase Price) for deposit in their respective escrow accounts. The Escrow Agent shall, on the date of allotment of Equity Shares by our Company under the Issue ("**IPO Closing Date**"), transfer the Escrow Amount to bank accounts designated by the Sellers. In case of any discrepancies between the Share Purchase Agreements and the Escrow agreements, with respect to the escrow mechanism, the provisions of the Escrow Agreement shall prevail. Further, in case of any dispute between the parties to the agreement, the same shall be settled amicably by way of arbitration.

Further, in terms of the Share Purchase Agreements, the Sale Shares are currently subject to a lock-in which shall expire 12 months after the date of allotment of Equity Shares as part of the Issue ("**Lock-in Period**") and shall not be transferable during such Lock-in Period.

Investors shall, for the period commencing on April 1, 2008 to April 7, 2008, have the right to require the Sellers to purchase all the Sale Shares from the Investors at an assured price equivalent to the Purchase Price plus interest accruing thereon (the "**Put Option**"), in the following events:

i. if the Company and OMSI, in consultation with the book running lead managers to the Public Offering, communicate to SEBI their decision to not proceed with the Public Offering (in accordance with the provisions of the SEBI Guidelines);or

ii. if the issue and allotment of Share in the Issue does not occur on or before March 31, 2008.

Under the terms of the Share Purchase Agreements, any press releases or other public communications relating to the said Agreements will be subject to the prior written consent of all parties involved.

Details of past performance

For details in relation to our financial performance in the previous five financial years, including details of non-recurring items of income, refer to "Financial Statements" on page 122.

Details of our Subsidiaries

OnMobile Singapore Pte Limited

OnMobile Singapore Pte Limited was incorporated on October 8, 2004 under the laws of Singapore as a private limited company. It received its registration certificate on October 11, 2004 and was allotted the registration number 200412961C. It has its registered office at No.78, Shenton Way, #26-02A, Singapore 079120. OnMobile Singapore Pte Limited became a subsidiary of our Company pursuant to the resolution passed by the Board dated August 30, 2004 approving the investment by our Company in this regard. The main objects of the company are to provide software development services, technical services and content services.

Shareholders as of January 31, 2008

The shareholding pattern of equity shares of OnMobile Singapore Pte Limited is as follows:

Sl.No	Shareholder	Number of shares	Percentage
1.	OnMobile Global Limited	84,999	99.99
2.	Chandramouli Janakiraman	1	0.01
	TOTAL	**85,000**	**100**

Directors as of January 31, 2008

The Board of Directors of OnMobile Singapore Pte Limited comprises Arvind Rao, Chandramouli Janakiraman and Ong Tong Wang.

Financial performance

(In Sing$ million except for per share data)

	Fiscal 2007	Fiscal 2006	Fiscal 2005
Sales and other income	0.36	0.24	0.002
Profit/Loss after tax	0.0008	(0.001)	(0.04)
Reserves and Surplus	(0.04)	(0.04)	(0.04)
Equity capital (par value Sing$ 1)	0.08	0.08	0.01
Earnings per share (In Sing$)	0.009	(0.02)	(4.40)
Book value per share (In Sing$)	0.47	0.46	(0.34)

The Singapore dollar amounts mentioned above have been converted into Rupees on the basis of the relevant exchange rate as of March 31 of each year and presented below.

(In Rs. million except for per share data)

	Fiscal 2007	Fiscal 2006	Fiscal 2005
Sales and other income	10.38	6.62	0.04
Profit/Loss after tax	0.02	(0.04)	(1.17)
Reserves and Surplus	(1.28)	(1.25)	(1.17)
Equity capital	2.43	2.34	0.27
Earnings per share	0.26	(0.50)	(116.72)
Book value per share	13.55	12.78	(90.20)

OnMobile Australia Pty. Ltd.

OnMobile Australia Pty. Ltd. was incorporated on March 9, 2005 under the laws of Australia as a proprietary company limited by shares. It received its registration certificate on March 9, 2005 and was allotted the registration number 113 301 938. It has its registered office at Suite 1, Level 20, 99, Walker Street, North Sydney, NSW 2060. OnMobile Australia Pty. Ltd. became a subsidiary of our Company pursuant to the resolution passed by our Board dated May 26, 2005, approving the investment by our Company in this regard. The company is involved in the business of providing value added services.

The Board by resolution dated January 17, 2007 approved winding up of OnMobile Australia Pty. Ltd. and conversion into a branch office of our Company in order to avail the tax benefits available for the overseas branch model. Our Company has obtained a certificate of registration of a foreign company bearing Australian registered body number 126060651 dated June 20, 2007 in this regard.

Shareholders as of January 31, 2008

The shareholding pattern of equity shares of OnMobile Australia Pty. Ltd. is as follows:

Sl.No	Shareholder	Number of shares	Percentage
1.	OnMobile Global Limited	100,000	100
	TOTAL	**100,000**	**100**

Directors as of January 31, 2008

The Board of Directors of OnMobile Australia Pty. Ltd. comprises Chandramouli Janakiraman, Pratapa P. Bernard and Anand Rao.

Financial performance

(In AUD million except share data)

	Fiscal 2007	March 9, 2005 to March 31, 2006
Sales and other income	0.872	0.296
Profit/Loss after tax	(0.001)	0.001
Reserves and Surplus	(0.0001)	0.001
Equity capital (par value AUD 1)	0.100	0.100
Earnings per share (In AUD)	(0.009)	0.008
Book value per share (In AUD)	0.999	1.008

The Australian dollar amounts mentioned above have been converted into Rupees on the basis of the relevant exchange rate as of March 31 of each year and presented below.

(In Rs. except for per share data)

	Fiscal 2007	March 9, 2005 to March 31, 2006
Sales and other income	30.62	9.39
Profit/Loss after tax	(0.03)	0.03
Reserves and Surplus	(0.00)	0.03
Equity capital	3.51	3.17
Earnings per share	(0.32)	0.26
Book value per share	35.06	31.98

PT OnMobile Indonesia

PT OnMobile Indonesia received its approval for investment in Indonesia by approval no.71/1/PMA/2007 dated January 17, 2007 issued by the Investment Coordinating Board, Indonesia entitling the company to operate the business with a status of unlimited liability company. It received the Ministry of Justice, Republik Indonesia approval dated August 23, 2007 pursuant to which the status of the company changed to a limited liability company. It has its registered office at Ariobimo Central Building, Lantai 4, Jl.HR. Rasuna Said Blok X-2 No.5, Jakarta Selatan 12950. The main objects of the company include management and business consultancy services in information technology.

Shareholders as of January 31, 2008

The shareholding pattern of equity shares of PT OnMobile Indonesia is as follows:

Sl.No	Shareholder	Number of shares	Percentage
1.	OnMobile Global Limited	999	99.90
2.	Chandramouli Janakiraman	1	0.10
	TOTAL	**1,000**	**100**

Directors as of January 31, 2008

The board of directors of PT OnMobile Indonesia comprises Rajesh Moorti and Chandramouli Janakiraman.

Financial performance

The company has not yet completed a financial year.

Phonetize Solutions Private Limited

Phonetize Solutions Private Limited was incorporated on December 12, 2005 with CIN U72100MH2005PTC157968. It was a subsidiary of ITfinity. Pursuant to the acquisition of ITfinity by our Company, whereby it became a Subsidiary of our Company. The registered office of the company is at # 505, Acropolis, Military Road, Marol, Andheri (East), Mumbai – 400059.

The main objects of the company include carrying out in India or elsewhere the business of developing, improving, designing, analysing, selling, distribution, importing, exporting, marketing, implementing, consulting and/or licensing computer software, hardware and programme packages and provide a wide variety of software implementation services including custom application development, application set up data processing, all business relating to internet, development of software application based on internet or other technologies, selling of content to mobile subscribers, offering mobile connectivity and platforms to customers and to act as an internet services provider, providing satellite up linking and gateways.

Shareholders as of January 31, 2008

Sl.No	Shareholder	Number of shares	Percentage
1.	OnMobile Global Limited	9,999	99.99
2.	Krishna Jha	1	0.01
	TOTAL	**10,000**	**100**

Directors as of January 31, 2008

The board of directors of Phonetize Solutions Private Limited comprises Krishna Jha and Hemant Attray.

Financial performance

(In Rs. million except for per share data)

	Fiscal 2007	Fiscal 2006
Sales and other income	0	0
Profit/Loss after tax	(0.026)	0
Reserves and Surplus	(0.026)	0
Equity capital (par value Rs. 10)	0.100	0.100
Earnings per share (in Rs.)	(2.64)	0
Book value per share	7.36	0

Vox mobili S.A.

Vox mobili S.A. was incorporated on December 30, 1999. The company is registered with the Paris Trade and Companies Registry under registration number 428 720 643 R.C.S. PARIS / 1999 B 20258. The registered office of the company is located at 36, Rue De Brunel, 75017 Paris, France. The main corporate purpose of the company include study, realisation, maintenance, management or marketing of any system, equipment or service in the field of telecommunication, computing, telematics and communication in France and outside of France. The acquisition of Vox mobili S.A. was approved by the FIPB on September 5, 2007.

Shareholders as of January 31, 2008

Sl.No	Shareholder	Number of shares	Percentage
1.	OnMobile Global Limited	6,501,705	100.00
2.	Arvind Rao	1	0.00
3.	Sandhya Gupta	1	0.00
4.	Amit Kumar Dey	1	
	TOTAL	**6,501,708**	**100.00**

Directors as of December31, 2007

The Board of Directors of Vox mobili S.A. comprises Arvind Rao, Sandhya Gupta and Amit Kumar Dey.

Financial performance

(In EUR million except for per share data)

	Year ended December 31, 2006	Year ended December 31, 2005	Year ended December 31, 2004
Sales and other income	4.97	3.46	3.76
Profit/Loss after tax	0.87	0.25	0.27
Reserves and Surplus	4.24	3.38	3.12
Equity capital (par value EUR 0.05)	0.33	0.33	0.33
Earnings per share (EUR)	0.13	0.04	0.04
Book value per share	0.70	0.57	0.53

The Euro amounts mentioned above have been converted into Rupees on the basis of the relevant exchange rate as of March 31 of each year and presented below.

(In Rs. million except share data)

	Year ended December 31, 2006	Year ended December 31, 2005	Year ended December 31, 2004
Sales and other income	289.40	185.48	212.06
Profit/Loss after tax	50.58	13.54	15.34
Reserves and Surplus	247.24	180.76	176.09
Equity capital	18.94	17.41	18.33
Earnings per share	7.78	2.08	2.36
Book value per share	40.94	30.48	29.90

We believe that the acquisition of Vox mobili S.A. is material to our business and operations as the investment in Vox mobili S.A. exceeded 20% of our total assets on a consolidated basis as of the end of the last fiscal year; and our share in the total assets of Vox mobili S.A. exceeded 20% of our total assets on a consolidated basis as of the end of the last fiscal year; and the income derived from Vox mobili S.A. exceeded 20% of our income on a consolidated basis as of the end of the last fiscal year and accordingly, the financials of Vox mobili S.A. have been presented for various historical periods, including periods which correspond to the Company's fiscal periods. For details refer to page 208. As part of the acquisition of Vox mobili S.A we also acquired its subsidiary, Vox mobili Inc. The financial statements of Vox mobili S.A. do not include the results of its subsidiary, Vox Mobili Inc., as those are not material (as per any of the aforesaid parameters) to its or our financial condition or results of operations. We also acquired a majority stake in Ver se Innovation Private Limited, in April 2007. The Company has not yet completed a financial year, for its financial statements to be presented.

Vox mobili Inc.

Vox mobili Inc. was incorporated on December 6, 2003 under the laws of the State of Washington, the registered office of which is located at Centris Bellevue, 10900 NE 4th Street, Suite 2300 Bellevue, State of Washington 98004, United States. It is a subsidiary of Vox mobili S.A. Pursuant to the acquisition of Vox mobili S.A. by our Company, whereby which it became a Subsidiary of our Company. The company is principally organized for the studies, testing, integration and support of Voxmobili S.A. products in the US territory, in order to provide a local support to Voxmobili S.A. customers in the U.S. In addition, the company may develop, sell or resell Vox mobili S.A. products or other third parties products in the US.

Shareholders as of January 31, 2008

Sl.No	Shareholder	Number of shares	Percentage
1.	Vox mobili SA	1,000	100
	TOTAL	**1,000**	**100**

Directors as of January 31, 2008

The Board of Directors of Vox mobili Inc. consists of Arvind Rao as sole director.

Financial performance

(In USD million except for per share data)

	Year ended December 31, 2006	Year ended December 31, 2005	Year ended December 31, 2004
Sales and other income	0.112	0.089	0. 214
Profit/Loss after tax	(0.014)	(0.129)	(0.067)
Reserves and Surplus	(0.271)	(0.257)	(0.128)
Equity capital (par value USD 1)	0.001	0.001	0.001
Earnings per share (USD)	(15)	(129)	(67)
Book value per share	(270)	(256)	(127)

The US dollar amounts mentioned above have been converted into Rupees on the basis of the relevant exchange rate as of March 31 of each year and presented below.

(In Rs. Million except for per share data)

	Year ended December 31, 2006	Year ended December 31, 2005	Year ended December 31, 2004
Sales and other income	5.096	3.926	9.725
Profit/Loss after tax	(0.657)	(5.677)	(3.055)
Reserves and Surplus	(12.290)	(11.324)	(5.803)
Equity capital	0.045	0.044	0.045
Earnings per share	(658)	(5,677)	(3,055)
Book value per share	(12,245)	(11,280)	(5,758)

Ver Se Innovation Private Limited

Ver Se Innovation Private Limited was incorporated on April 13, 2007 under the Companies Act. Its registered office is located at J-37, Diamond district, Airport Road, Kodihalli, Bangalore 560 008. The main objects of the company include carrying on the business of designing, developing, researching and otherwise dealing or manufacturing related vertical search & recommendation services on mobile, handheld devices, internet and email, development of software tools, products & services for business analytics, user collaboration. Business Services for internet content providers, mobile operators, VAS providers. Advertising network on mobile, handheld devices, internet and email, carrying on the business of m-commerce, web, telecom, datacom, e-commerce and all kinds of communication systems and services.

Our Company has signed a Subscription cum Shareholders Agreement dated October 26, 2007 with the promoters of Ver se Innovation Private Limited for investment by our Company of upto 51% of the paid up share capital of Ver se Innovation Private Limited. Ver se Innovation Private Limited has software which operates as a contextual diversified vertical search engine. Our Company has paid Rs. 22,000,556 to Ver se Innovation Private Limited for the 51% equity share capital of the company. Further our Company has agreed to a capital commitment in Ver se

Innovation Private Limited for up to Rs. 66,000,000 by way of further equity (including warrants) or any debt instrument including optionally convertible preference shares, term loans or any other such instrument or arrangement as may be agreed by and between the parties as per the terms and conditions of the Subscription cum Shareholders Agreement. For further details see "Shareholders' Agreement and other Material Agreements – Agreements for investment in Ver Se Innovation Private Limited" on page 92.

Shareholders as of January 31, 2008

Sl.No	Shareholder	Number of shares	Percentage
1.	Virendra Gupta	7,143	68.60
2.	Shailendra Gupta	2,857	31.40
3.	OnMobile Global Limited	10,412	51.01
	TOTAL	**20,412**	**100.00**

Directors as of January 31, 2008

The Board of Directors of Ver se Innovation Private Limited consists of Virendra Gupta, Chandramouli Janakiraman, Shailendra Sharma and Rajesh Moorti.

Financial performance

The company has not yet completed a financial year.

OUR MANAGEMENT

Board of Directors

Under our Articles of Association we are required to have not less than three directors and not more than twelve directors. We currently have seven directors on our Board.

The following table sets forth details regarding our Board of Directors as on the date of this Prospectus:

Name, Father's Name, Address, Designation, Occupation and Term	Nationality	Director's Identification Number	Age (InYears)	Other Directorships
Arvind Rao S/o Dr. Mohan G.Rao Flat No. 8C, Oyster Building Pilot Bunder Road, Navy Nagar Colaba Mumbai 400 005 India Managing Director and Chief Executive Officer Entrepreneur Wholetime Director He is a Promoter of our Company. Further, he is a director and a shareholder of our Promoter Group companies RiffMobile Private Limited and Mobile Traffik Private Limited and our Promoter, OMSI	American (Person of Indian Origin)	00427618	50	**Indian Companies** (1) RiffMobile Private Limited (2) Mobile Traffik Private Limited (3) Cellphone Entertainment (Mumbai) Private Limited **Foreign Companies** (4) OnMobile Sytems, Inc. (5) OnMobile Singapore Pte Limited (6) Vox mobili SA
Chandramouli Janakiraman S/o Venkatraman Janakiraman F-103, Adarsh Residency 47th Cross, Jayanagar, 8th Block Bangalore 560 082 India Chief Technology Officer Software Engineer Wholetime Director He is a Promoter of our Company. Further, he is a director and a shareholder of our Promoter, OMSI	Indian	00427778	39	**Indian Companies** (1) Ver Se Innovations Private Limited **Foreign Companies** (2) OnMobile Singapore Pte Limited (3) OnMobile Australia Pty. Ltd. (4) PT OnMobile Indonesia
H.H. Haight IV S/o Henry Huntly Haight IIIrd 25, Beaver Pond Road Beverly MA 01915 USA Non-executive Director Venture Capitalist Liable to retire by rotation He is a director of our Promoter, OMSI	American	00632900	74	**Foreign Companies** (1) OnMobile Systems, Inc. (2) Genelabs Technology Inc. (3) Maxager Technology Inc. (4) Argo Global Capital, Inc. (5) Argo Holding, LP. (6) Argo Global Capital Corp. (7) Telecom Investment Inc. (8) Neural Technologies, Limited (9) Chinatron Group Holdings Limited (10) Argnor Wireless Ventures

Name, Father's Name, Address, Designation, Occupation and Term	Nationality	Director's Identification Number	Age (InYears)	Other Directorships
				B.V. (11) Argo Gassification Technologies (12) SP Industries Inc. (13) Nostix, LLC (14) GIV Venture Partners
Sridar A. Iyengar S/o Krishnaswamy Arvamudhan Iyengar 85, Fair Oaks Lane, Atherton CA 94027 U.S.A. Independent Director Service Liable to retire by rotation He has no relation with any of our Promoter or Promoter Group	Indian	00278512	60	**Indian Companies** (1) Infosys Technologies Limited (2) Infosys BPO Limited (formely named as Progeon Limited) (3) ICICI Bank Limited (4) Rediff.com India Limited (5) Career Launcher Limited **Foreign Companies** (6) Kovair Software Inc. (7) Mango Analytic Inc. (8) Rediff Holding, Inc. (9) American India Foundation (10) Foundation for Democratic Reforms in India
Vikram S. Kirloskar S/o Late Shreekant Shantanu Kirloskar 202A, Embassy Place 16, Cunningham Road Bangalore 560 052 India Independent Director Industrialist Liable to retire by rotation He has no relation with any of our Promoter or Promoter Group	Indian	00007907	48	**Indian Companies** (1) Kirloskar Systems Limited (2) Kirloskar Brothers Limited (3) Kirloskar Oil Engines Limited (4) Kirloskar Pneumatic Company Limited (5) Kirloskar Theratronics Private Limited (6) Kirloskar Toyoda Textile Machinery Private Limited (7) Toyota Kirloskar Auto Parts Private Limited (8) Toyota Kirloskar Motor Private Limited **Trusts** (9) Rooplekha (Life Interest) Trust (10) Fairvalue Trust (11) The Mysore Kirloskar Officers' Superannuation Trust (12) The Mysore Kirloskar

Name, Father's Name, Address, Designation, Occupation and Term	Nationality	Director's Identification Number	Age (InYears)	Other Directorships
				Officers' Group Gratuity Fund
Naresh K. Malhotra S/o Som Dutta Malhotra No.31, 2nd Main, Defence Colony Indiranagar Bangalore 560 038 India Independent Director Business Liable to retire by rotation He has not relation with any of our Promoter or Promoter Group	Indian	00200322	60	**Indian Companies** (1) N.M Properties & Consulting Private Limited (2) Bluestar Infotech Limited (3) Amalgamated Bean Coffee Trading Co. Private Limited (4) Venture Infotek Global Private Limited (5) Tarang Software Technologies Private Limited (6) Gignext Solutions India Private Limited (7) Balan Natural Foods (P) Limited (8) Royal Orchid Hotels Limited (9) Printo Documents Services Private Limited (10) A B Holdings Private Limited **Foreign Companies** (11) Venture Infotek Inc. **Sole Proprietorship** (12) NKM Consulting **Other Associations** (13) Spastics Society of Karnataka
Prof. Jayanth RamaVarma S/o Narayana Rama Varma 318, Indian Institute of Management Vastrapur, Ahmedabad Gujarat 380 015 India Independent Director Professor Liable to retire by rotation He has not relation with any of our Promoter or Promoter Group	Indian	00402667	47	**Indian Companies** (1) Infosys BPO Limited (formely named as Progeon Limited) (2) Axis Bank (formely called UTI Bank Limited)

Brief Biographies of our Directors

Arvind Rao graduated with a Bachelor of Technology degree from the Indian Institute of Technology, Mumbai, Master of Science degree from the University of Wisconsin, Madison and a Master of Business Administration

degree from the Wharton School, the University of Pennsylvania. He has been with OMSI, our Promoter, since its inception in 2000. Prior to joining our Company, he was Field Engineer at Schlumberger Wireline Services in Thailand, China and Malaysia, Senior Engagement Manager at McKinsey & Company in New York and India, Private Equity Investment Manager at the Chatterjee Group in New York and India between 1987 and 1999 and Managing Director Technology investments at Gilbert Global Equity Partners in New York. He has over two decades of experience in financial services, IT and the telecom industry. He was appointed as Managing Director by the Board at their meeting held on July 24, 2006 for a period of five years.

Chandramouli Janakiraman graduated with a Bachelor of Technology degree from the National Institute of Technology, Allahabad. He has over 19 years of experience in the software industry. He has previously served as Associate Vice President and Head of the Internet Products Group in Infosys Technologies Limited. In 2000, he left Infosys and co-founded OMSI. He was appointed as a director by the shareholders at the AGM held on May 12, 2003.

H.H. Haight IV graduated with a Bachelor of Science degree from the University of California, Berkeley and a Master of Business Administration degree from Harvard Business School. He has over 20 years of experience in the leadership and growth of various enterprise companies. He has previously served as Managing Director in Advent International Corp and Chief Executive Officer in Argo Global Capital, LLC. He has been appointed as a non-executive Director by the shareholders of our Company at the AGM held on August 17, 2007.

Prof. Jayanth Rama Varma graduated with a Bachelor of Commerce degree from Bangalore University. He did his post-graduation in management from the Indian Institute of Management, Ahmedabad, where he was awarded a gold medal for his scholastic performance. He also obtained the Fellow of the the Institute of Management, Ahmedabad and is also a qualified cost accountant from Institute Cost and Works Accountants. He has over 20 years of teaching, research and consulting experience in the field of finance. He has previously served as a full-time member of SEBI and as Chairman of various committees formed by SEBI and the Department of Company Affairs. He is a professor of the Indian Institute of Management, Ahmedabad. He has been appointed as an independent Director by the shareholders of our Company at the AGM held on August 17, 2007.

Naresh K. Malhotra graduated with a Bachelor of Commerce degree from St. Xaviers College, Calcutta University. He qualified as a Chartered Accountant in 1970 trained with Price Waterhouse. He has over 35 years of experience in India and overseas in various companies including Imperial Chemical Industries, Unilever, Colgate Palmolive, Bukhatir Investments, the U B Group, KPMG and Amalgamated Bean Coffee Trading Company. He has previously served as founding partner and managing director of corporate finance in KPMG in India. He is on the board of directors of Blue Star Infotech Limited, Royal Orchid Hotels Limited, Amalgamated Bean Coffee Trading Company Limited (Coffee Day) and a number of other Companies. He is also an advisor to GIV Management Inc., a Washington based venture capital company. He has been appointed as an independent Director by the shareholders of our Company at the AGM held on August 17, 2007.

Sridar A. Iyengar is a fellow of the Institute of Chartered Accountants, England and Wales. He has over 38 years of experience in corporate finance and accounting. He has previously served as chairman and chief executive officer at KPMG, India operations. He is associated with Bessemer Venture Partners and is an independent director of various companies including Infosys Technologies Limited, ICICI Bank Limited and Rediff.com. He has been appointed as an independent Director by the shareholders of our Company at the AGM held on August 17, 2007.

Vikram S. Kirloskar graduated with a Bachelor of Engineering (Mechanical) from the Massachusetts Institute of Technology, Cambridge, USA. He has over 24 years of experience in the business of manufacturing automobiles and auto parts. He has successfully set up a joint venture with Toyota, Japan called Toyota Kirloskar Motor Private Limited, which manufactures automobiles in India. He is the chairman and managing director of Kirloskar Systems Limited, vice chairman of Toyota Kirloskar Motor Private Limited and Toyota Kirloskar Auto Parts Private Limited. He is a member of the National Council of Confederation of Indian Industry. He has been conferred with the Suvarna Karnataka award by the Karnataka Government, in recognition of his efforts in expanding and developing industry within the state. He has been appointed as an independent Director by the shareholders of our Company at the AGM held on August 17, 2007.

Borrowing powers of the Board

Our Articles, subject to the provisions of the Act, authorise our Board to raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. Our Shareholders, have pursuant to a resolution passed at the AGM dated August 17, 2007 authorised the Board to borrow monies together with monies already

borrowed by us, in excess of the aggregate of the paid up capital of the Company and its free reserves, not exceeding Rs. 2,000 million at any time.

Corporate Governance

The provisions of the Listing Agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. We have complied with the requirements of Corporate Governance contained in the Listing Agreement, particularly those relating to composition of Board of Directors, constitution of committees such as Audit Committee, Shareholder / Investor Grievance Committee, etc.. The Company undertakes to take all necessary steps to comply with all the requirements of Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges.

Currently the Board has seven Directors, of which the chairman of the Board is an executive Director, and in compliance with the requirements of Clause 49 of the Listing Agreement, our Company has two executive Directors, one non-executive Director and four independent Directors on the Board.

Audit Committee

The audit committee was constituted by the Board at its meeting held on August 31, 2006 ("the **Audit Committee**"). The objective of the Audit Committee is to oversee and monitor the financial reporting processes in order to ensure accurate, timely and proper disclosure and transparency, integrity and quality of financial information. The Audit Committee consists of Prof. Jayanth Rama Varma (Chairman), H.H.Haight IV and Naresh K. Malhotra.

The terms of reference of the audit committee are as follows:

- Reviewing quarterly, half yearly and annual financial statements before submission of the same to the Board of Directors;
- Approving internal audit plans and reviewing efficacy of the function periodically;
- Discusions with stautoty auditors about the internal control systems, scope of their audit including the observations of the auditors;
- Obtain from the statutory auditors periodic formal written statements delineating all the relationships between the auditor and the Company consistent with applicable regulatory requirements and presenting the statement to the Board of Directors;
- Discusion and review of periodic audit reports;
- Investigating any activity that may be referred by the Board from time to time;
- Ensure that statutory compliances are met with adequately with the help of external legal or professional advice if any required;
- To meet periodically as it may deem fit to meet its objectives and shall have at least four such meetings in a financial year on a quarterly basis;
- Report periodically to the Board on significant results of the foregoing activities; and
- Seek information from employees to discharge the abovementioned responsibilities.

Compensation Committee

The compensation committee was constituted by the Board at its meeting held on August 31, 2006 ("the **Compensation Committee**"). The main purpose of the 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. The Compensation Committee consists of Sridar A. Iyengar (Chairman), H.H.Haight IV and Vikram S. Kirloskar.

The terms of reference of the Compensation Committee are as follows:

- Annual review of the salary, bonus and other compensation plans of all the officers of the Company drawing a salary greater than Rs. 2.5 million per annum;
- Review and approve the salary, bonus and compensation plans for all the executive directors of the Company;

- Administer the implementation and award of stock options under various stock option plans of the Company; and
- Recommend to the Board of Directors of the Company on any other employment inventives as the compensation committee deems it apropiate in the best interests of the Company.

Share Transfer and Investor Grievance Committee

The Share Transfer and Investor Grievance Committee was constituted by our Board at their meeting held on April 20, 2007. This Committee formed to specifically look into the redressal of shareholder and investor complaints pertaining to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc. The Share Transfer and Investor Grievance Committee consists of Vikram Kirloskar (Chairman), Naresh Malhotra and Chandramouli Janakiraman.

The terms of reference of the Share Transfer and Investor Grievance Committee are as follows:

- To approve and register, transfer and/or transmission of all classes of shares;
- 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
- To do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

IPO Committee

The IPO Committee was constituted by our Board at their meeting held on April 20, 2007. The committee consists of Arvind Rao (Chairman), Naresh Malhotra and H.H. Haight IV. The committee has been constituted to decide all matters relating to the Issue and allotment of shares of the Company in accordance with the applicable rules and regulations. The powers of the committee include, deciding on the timing, pricing and other terms of the issue of shares for the Issue, appointment of book running lead managers, underwriters, syndicate members, registrars, legal advisors and other agencies for the Issue, to settle and execute the Draft Red Herring Prospectus ,Red Herring Prospectus, Prospectus, syndicate agreement, underwriting agreement, escrow agreement and all other documents and agreements required for the Issue.

Shareholding of the Directors in our Company

S.No.	Name of the Shareholder	No. of Equity Shares	Pre-Issue Percentage Shareholding	Post-Issue Percentage Shareholding
1.	Arvind Rao	5,340,517	10.95	9.30
2.	Chandramouli Janakiraman	2,233,673	4.58	3.89
	TOTAL	**7,574,190**	**15.53**	**13.19**

Interests of Directors

All of our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or the options held by them granted pursuant to the ESOP Plans or that may be subscribed by or allotted to the companies, firms, trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares. Arvind Rao and Chandramouli Janakiraman are entitled to receive remuneration from us.

All the non-executive and independent directors are entitled to receive sitting fees for attending the Board/committee meetings and commission based on the net profits of our Company within the limits laid down in the Companies Act.

Except as stated in the section titled "Related Party Transactions" on page 119, and to the extent of shareholding in our Company, our Directors do not have any other interest in our business.

Our Directors have no interest in any property acquired by our Company within two years of the date of this Prospectus.

Our Director, Sridar A. Iyengar is an independent consultant to Bessemer India Capital Holdings II Limited and is on a paid retainer with them. He does not get compensated for any deals but has a right to coinvest alongside them on their deals. To date he has not done any coinvestment with them. Bessemer India Capital Holdings II Limited shall become the shareholder of our Company upon acquiring certain shares of our Company held by OMSI.

Remuneration of the Directors

Arvind Rao

Arvind Rao was appointed as a Director pursuant to a resolution of our shareholders at AGM dated February 12, 2001 and was declared as a permanent director pursuant to a resolution of our shareholders at EGM dated October 17, 2003. He has been appointed as a Managing Director for a period of five years with effect from July 24, 2006 pursuant to resolution passed by the Board at their meeting held on July 24, 2006. Further, an employment contract dated August 24, 2007 has been executed between our Company and Arvind Rao which contract has been approved by the resolution of the Compensation Committee dated July 12, 2007. The material terms of the contract are as follows:

Clause	Particulars
Period of Appointment	Appointed as managing director, for a period of 5 years effective July 24, 2006
Compensation	Rs. 10,350,000 as fixed compensation and with a variable bonus of 100% of the aforesaid fixed compensation, based on meeting agreed key performance indicators and evaluation by the Compensation Committee. The variable bonus could be less than, or exceed the 100% based on actual performance against agreed targets, and will be determined by the Compensation Committee. The fixed compensation can be delivered to him in any form including housing allowance, monthly cash salary, house maintenance allowance, etc such that the after-tax cost to our Company is not worse off than if the entire amount was paid to him in cash. Such evaluation will be completed within 30 days of the end of the fiscal year, and the bonus shall be paid upon completion of such evaluation.
Transport	A fully maintained vehicle including driver, paid for by the Company. After such vehicle is fully depreciated in the Company's books, the title changes over to him for no consideration subject to the terms and conditions of the Company's car policy as amended from time to time.
Superannuation	Superannuation and other such statutory welfare benefits shall be payable in accordance with the regulations under the appropriate laws.
Insurance	Medical insurance as per company practices. Additionally the Company will pay for major medical surgery overseas if he deems this required rather than having such surgery done in India.
Other	He shall be entitled to upto 3 club memberships which shall be paid for by the Company
Other Conditions	• He shall not engage in any other business conflicting with the business interests of the Company unless approved by the Board of Directors of the Company; • The Company shall reimburse his travelling expenses in connection with the Company's business as per the Company's policy; • 20 working days paid vacation per year, accruable; and • He will be covered under accident insurance as per company norms and in case of accidents leading to partial disablement the company will pay short-term disability to him equal to his salary at time of accident, for a period of 12 months post the accident, and in case of total disablement the company will pay him three years of salary computed at the same rate as that prevailing at the time of accident.
Termination	His employment shall be liable to be terminated by either party by giving prior notice of 6 months to the other party or on payment of remuneration in lieu thereof. In the event of the Company terminating his services due to redundancy arising out of strategic changes to the business including the closure of business or change in ownership or control or merger, the Company shall be liable to pay a termination compensation or redundancy payment equivalent to the remuneration of 18 months compensation paid in cash based on previous financial years compensation plus accelerated full vesting of all stock options held at time of termination plus forgiveness of any and all outstanding loans from Company including transfer of any vehicles used by him at time of termination, and any other appropriate statutory compensation applicable to this employment.

In line with the decision by the Compensation Committee on October 12, 2007, a revised remuneration letter dated October 12, 2007 has been issued to Arvind Rao stating the following details of remuneration payable with effect from October 1, 2007:

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Details of Compensation Structure	Revised Annual (In Rs.)
Basic Salary	1,225,800
Conveyance Allowance	9,600
Medical Reimbursement	15,000
Leave Travel Allowance	227,000
Special Allowance	1,099,504
Providend Fund	147,096
Sub Total A	*2,724,000*
Other Benefits	
Annual House rent paid by the Company	1,255,000
Premium car insurance paid by the Company (old)	29,000
FBT on the car (old) insurance at the rate of 33.99% on the 20% of the expenditure	2,000
Depreciation on car (new) (includes insurance for 1st year)	2,804,000
FBT on the depreciation on car (new)	86,000
Sub Total B	*4,176,000*
Grand Total	**6,900,000**
Variable Compensation	0 to 50% of the Annual Fixed Compensation as variable, based upon achievement of performance targets as determined by the Compensation Committee. This will be paid annually.

Chandramouli Janakiraman

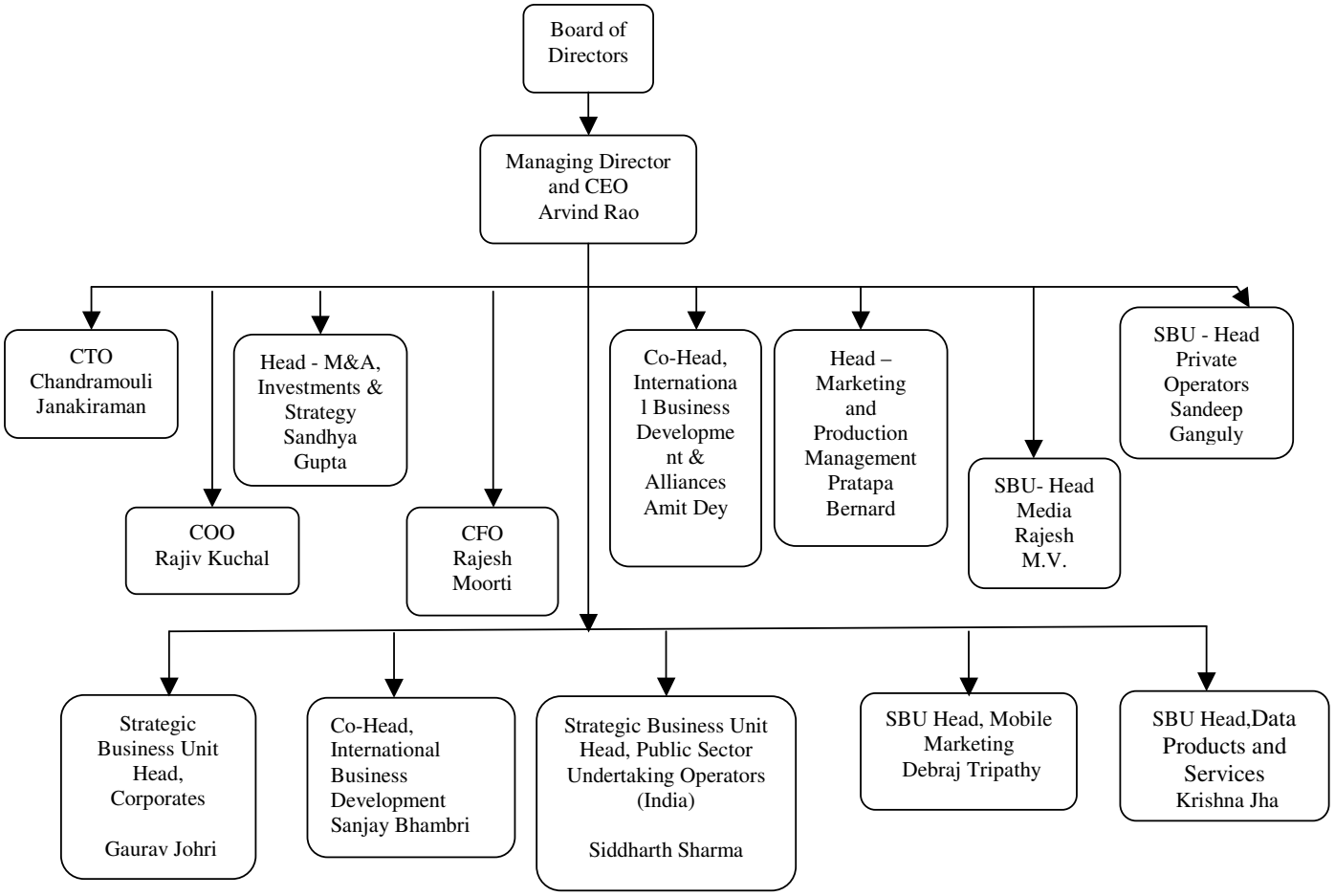
Chandramouli Janakiraman was appointed as a director of our Company pursuant to a resolution of our shareholders at AGM dated May 12, 2003 and was declared as a permanent director pursuant to a resolution of our shareholders at EGM dated October 17, 2003. Further, he was designated as a whole-time Director of our Company by resolution of the Board dated July 24, 2006. Pursuant to the resolution by the Compensation Committee on October 12, 2007 a letter dated October 12, 2007 was issued to him stating the revised terms of the remuneration with effect from August 1, 2007 as follows

Details of Compensation Structure	Revised Annual (In Rs.)
Basic Salary	1,575,000
Conveyance Allowance	9,600
Medical Reimbursement	15,000
Leave Travel Allowance	291,667
Special Allowance	710,983
Providend Fund	189,000
Grand Total	**3,500,000**
Variable Compensation	0 to 50% of the Annual Fixed Compensation as variable, based upon achievement of performance targets as determined by the Compensation Committee. This will be paid annually.

Changes in the Board of Directors during the last three years

Name	Date of Appointment	Date of Cessation	Reason
S.N.Mishra	December 3, 2003	December 23, 2004	Resignation
Naina Krishnamurthy	December 3, 2003	December 23, 2004	Resignation
Naresh K. Malhotra	August 17, 2007	-	Appointment
Prof. Jayanth Rama Varma	August 17, 2007	-	Appointment
Vikram S. Kirloskar	August 17, 2007	-	Appointment
Sridar A. Iyengar	August 17, 2007	-	Appointment
H.H. Haight IV	August 17, 2007	-	Appointment
Anthony F. Correa	October 12, 2006	August 17, 2007	Resignation
Brandon Jones (Alternate Director to Mr. Anthony Correa)	July 12, 2007	August 17, 2007	Automatic Vacation of office due to resignation of Mr. Anthony Correa

Managerial Organisational Structure



Key Managerial Personnel

In addition to our whole-time Directors, Arvind Rao and Chandramouli Janakiraman, whose details have been provided under "Biographies of our Directors" on page 102, following are the other key managerial employees of our Company.

Amit Kumar Dey, 38 years, is the Co-Head of International Business Development & Alliances of our Company. Amit played a key role in establishing our business in India, and is currently in charge of Sales and Business Development in markets west of India including the Americas and Europe. He is also handling strategic alliances with large global distributors and resellers for our products and services. He was appointed by our Company on June 1, 2001. He holds a Bachelor of Engineering degree from Jadavpur University, Calcutta, and a master of business administration degree from the Indian Institute of Management, Calcutta. Prior to joining our Company, he worked as an account manager at Ericsson India Private Limited between 1997 and 2000 and as a project coordinator at Nokia India Private Limited between 1995 and 1997. He has over 17 years of experience in the manufacturing and telecommunications industry. The remuneration paid to him in fiscal 2007 was Rs. 4.30 million.

Debraj Tripathy, 38 years, is the Strategic Business Unit Head, Mobile Marketing of our Company. He carries the overall responsibility for Mobile Marketing including m-advertising. He was appointed by our Company on August 16, 2007. He has over 13 years of experience in the Media and Advertising industry. He received his Bachelor of Engineering degree in Electronics and Telecommunications from Sambalpur University, Orissa and Post Graduate Diploma in Business Administration from Indian Institute of Management, Calcutta. Prior to joining our Company, he was the Managing Director at Sieger Solutions, a 100% owned subsidiary of Deccan Chronicle Holdings. He has worked with WPP Group companies (Ogilvy & Mather and GroupM) for 12 years.

Gaurav Johri, 36 years, is the Strategic Business Unit Head, Corporates of our Company. He carries the overall responsibility for serving our corporate customers, which includes developing and taking to market new products and services for this market segment. He was appointed by our Company on October 27, 2006. He received a Bachelor of Engineering degree from Banaras Hindu University and a Master of Business Administration degree from the Indian Institute of Management, Kolkata. Prior to joining our Company, he worked as a Group Engagement Manager with the Banking and Capital Markets Practice at Infosys Technologies Limited. He has worked with Infosys Technologies Limited for 9 years in various leadership roles, sales, consulting and delivery in the North American market. He has over 13 years of experience in IT and mobile services industry. The remuneration paid to him in fiscal 2007 was Rs. 1.90 million.

Pratapa Bernard, 38 years, is the Head, Marketing and Product Management of our Company. He carries the overall responsibility for defining the product strategy for our Company as well as ensuring that our products are supported and enhanced post deployment. . He was appointed by our Company on August 7, 2000. Thereafter, he worked as Country Manager and Business Head, OnMobile Australia to oversee operations of our Company in Australia and New Zealand. He received a Bachelor of Engineering degree from Bangalore University and also holds a Post Graduate Diploma in Marketing Management. He was formerly the Country Manager, eBusiness Solutions at IBM between January 1993 and July 2000 and Senior Customer Services Engineer at Pertech Computers Limited between July 1990 to December 1992. He has over 17 years of experience in the IT and Telecommunications industry. The remuneration paid to him in fiscal 2007 was AUD 180,000 which is Rs. 6.18 million.

Rajesh Moorti, 41 years, is the Chief Financial Officer of our Company. He carries the overall responsibility for the legal, secretarial, finance and administration functions of our Company. He was appointed by our Company on April 3, 2006. He received a Bachelor of Commerce degree from Bangalore University and qualified as a Chartered Accountant from The Institute of Chartered Accountants of India and qualified as a Cost Accountant from The Institute of Cost and Works Accountants of India. Prior to joining our Company, he worked with Hindustan Lever Limited between and 1992 and 1998 where his last designation was Commercial Manager. He worked with Sara Lee Corporation, between 1998 and 2006 where his last designation was Director, Financial Planning and Control, U.K.. He has over 17 years of experience in consumer durables and non-durables industry. The remuneration paid to him in fiscal 2007 was Rs. 3.30 million.

Rajesh M.V., 38 years, is the Strategic Business Unit Head, Media of our Company. He carries the overall responsibility for working with media houses in India and driving media-based, telecom value-added services which generate new revenue streams for media clients from the mobile sector. He was appointed by our Company on November 15, 2004. He received a Bachelor of Science degree and a Master of Science degree in Mathematics

from Sathya Sai Institute of Higher Learning, Andhra Pradesh. Prior to joining our Company, he worked as a media planner at J. Walter Thompson, Bangalore (previously called Hindustan Thompson Limited), as Supervisor for Media Planning at Mudra Communications India Private Limited, as Senior Consultant, Media Planning at Ogilvy & Mather and as Planning Director at Group M Private Limited, all between 1993 and 2004. He has over 13 years of experience in the media and advertising industry. The remuneration paid to him in fiscal 2007 was Rs. 2.30 million.

Rajiv Kuchhal, 41 years, is the Chief Operating Officer of our Company. He carries the overall responsibility for delivery and operations to ensure customer satisfaction. He was appointed by our Company on May 2, 2006. He received Bachelor of Technology from Indian Institute of Technology, New Delhi. Prior to joining our Company, he was Head of Business Transformation at Progeon Limited (now known as Infosys BPO Limited). Before joining Progeon Limited, he worked with Infosys Technologies Limited where his last designation was Practice Head, Communication and Product Services. He was Assistant Manager at Telecommunications Consultants India Limited between 1986 and 1990. He has nearly 21 years of experience in IT and ITeS industries. The remuneration paid to him in fiscal 2007 was Rs. 3.05 million.

Sandeep Ganguly, 36 years, is the Strategic Businesss Unit Head, Private Operator (India) of our Company. He carries the overall responsibility for handling the private telecom operator market in India. He was appointed by our Company on January 24, 2005. He received a Bachelor of Engineering degree in Electronics and Communication from Pune University and a Post Graduate Diploma in Business Administration in Marketing from the Indian Institute of Management, Calcutta. Prior to joining our Company, he was Senior Manager at Hughes Escorts Communication Limited between 1995 and 2005. He has over 12 years of experience in telecommunications industry. The remuneration paid to him in fiscal 2007 was Rs. 2.37 million.

Sandhya Gupta, 37 years, is the Head, Mergers and Acquisitions, Investments and Strategy of our Company. She carries the overall responsibility for mergers and acquisitions and strategic investments for the company including international acquisitions, minority investments and equity related partnerships and Joint ventures. She was appointed by our Company on October 1, 2004. She received a Bachelors of Arts degree from the University of Rajasthan and a Master of Business Administration degree in 1991 from the University of Mumbai. Prior to joining our Company, she was a Manager at Citibank and Vice President- Investments at Galaxy Entertainment Limited between 1991 and 2004. She has over 10 years of experience in financial services and capital markets industry. The remuneration paid to her in fiscal 2007 was Rs. 2.99 million.

Sanjay Bhambri, 37 years, is the Co-Head, International Business Development of our Company, handling customers east of India including Asia Pacific, Far east, Middle East and Africa. He was appointed by our Company on April 2, 2007. He has over 13 years of experience in Sales and Marketing. He received his Bachelor of Science degree in Computer Science from Kurukshetra University, Kurukshetra and Masters of Business Management, MS University of Baroda, Vadodara. Prior to joining our Company, he was the Regional Sales Director at Hughes Network Systems, LLC. He has also worked with Galileo India Private Limited as Chief Technology Officer.

Sidharth Sharma, 31 years, is the Strategic Business Unit Head, Public Sector Operators (India) of our Company. He carries the overall responsibility for serving the mobile value added services needs of BSNL, MTNL and other government departments. He was appointed by our Company on January 4, 2005. He received a Bachelor of Engineering degree from Maharishi Dayanand University, Rohtak. Prior to joining our Company, he was Senior Software Engineer at Samsung Corporation at Seoul, Team Leader, IT Team at LBW SRL at Como, Milano Italy and General Manager, Sales and Marketing at ZTE Corporation between 1999 and 2004. He has over 8 years of experience in IT and telecommunications industry. The remuneration paid to him in fiscal 2007 was Rs. 2.10 million.

Krishna Jha, 33 years, is the data products and services business head of our Company. He carries the overall responsibility of managing the mobile data products and services unit of our Company. He was appointed by our Company on May 21, 2007. He received a Bachelor of Commerce degree from St. Xavier's Calcutta and he also holds a Post Graduate Diploma in Business Administration from IBS®, Hyderabad. Prior to joining our Company, he was the co-founder of ITfinity, a wireless technology company which was acquired by our Company in 2006. He has over 10 years of experience in software and telecommunicationss industries.

Key Managerial Personnel of our Subsidiary, Vox mobili S.A.

Nicolas Frattaroli, 39 years, is the Executive Director of our Subsidiary, Vox mobile S.A. He carries the overall responsibility for our Subsidiary's portfolio of products mainly in Europe, the Middle East, Africa and the Americas. He received a Masters of Science degree from the National Institute of Telecommunications. He was one of the founders of our Subsidiary. He has over 15 years of experience in the telecommunications industry. Prior to incorporating our Subsidiary in the year 2000, he was holding different positions at France Telecom Mobile International in Paris where he was in charge of the international projects. He worked with France Telecom Mobile International for 5 years.

All the key managerial personnel are permanent employees of our Company and our Subsidiary, Vox mobili S.A., respectively. None of the Directors and key managerial personnel of our Company are related to each other. Further, only Arvind Rao and Chandramouli Janakiraman are key managerial personnel of our Company as per Accounting Standard 18.

Shareholding of the Key Managerial Personnel

Other than as disclosed below, none of the key managerial personnel hold Equity Shares in the Company.

S. No	Name of Key Managerial Person	Number of shares
1.	Arvind Rao	5,340,517
2.	Chandramouli Janakiraman	2,233,933
3.	Amit Kumar Dey	466,531
4.	Pratapa P Bernard	421,200
5.	Krishna Jha	283,868
6.	Sandhya Gupta	86,216
7.	Rajiv Kuchhal	40,641
8.	Sandeep Ganguly	39,143
9.	Rajesh Moorti	38,324
10.	Sidharth Sharma	36,348
11.	Rajesh M.V.	36,192
TOTAL		**9,022,913**

The following key managerial personnel of our Subsidiary, Vox mobili S.A. holds Equity Shares:

	Number of shares
Nicolas Frattaroli	211,861

Bonus or profit sharing plan of the Key Managerial Personnel

There is no bonus or profit sharing plan for the key managerial personnel of our Company.

Interest of Key Managerial Personnel

The key managerial personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares held by them in our Company and options held by them granted pursuant to the ESOP Plans.

None of our key managerial personnel has been paid any consideration of any nature from the Company, other than their as stated above

Changes in the Key Managerial Personnel

The changes in the key managerial personnel of our Company in the last three years are as follows:

Name of the Key Managerial Person	Date of Joining	Date of Leaving	Reason for change
Sandhya Gupta	October 1, 2004	-	Appointment
Rajesh M.V.	November 15, 2004	-	Appointment
Srinivas Kulkarni	March 10, 2004	December 30, 2005	Resignation
Sidharth Sharma	January 4, 2005	-	Appointment
Sandeep Ganguly	January 24, 2005	-	Appointment
Rajesh Moorti	April 3, 3006	-	Appointment

Name of the Key Managerial Person	Date of Joining	Date of Leaving	Reason for change
Gaurav Johri	October 27, 2006	-	Appointment
Pratapa Bernard	July 1, 2007	-	Appointment
Sanjay Bhambri	April 2, 2007	-	Appointment
Debraj Tripathy	August 16, 2007	-	Appointment
Rajiv Kuchhal	May 2, 2006	-	Appointment
Krishna Jha	May 21, 2007	-	Appointment

OUR PROMOTERS

Individuals

Arvind Rao

He holds a US passport. His passport number is 112199116

He does not have a voter's identification card.

His driver's license number is D1683823

For further details, see 'Our Management - Biographies of our Directors' on page 102.

Chandramouli Janakiraman

He holds an Indian passport. His passport number is Z1466129

He does not have a voter's identification card.

His driver's license number is D2067029

For further details, see 'Our Management - Biographies of our Directors' on page 102.

Our Company confirms that the Permanent Account Numbers, Bank Account Numbers and Passport Numbers of our Promoters have been submitted to the BSE and NSE at the time of filing the Draft Red Herring Prospectus with them.

Companies

OnMobile Systems, Inc. ("OMSI")

OMSI was originally incorporated as Onscan, Inc. under the Delaware General Corporation Law by filing the original certificate of incorporation on December 16, 1999 with the Secretary of State of the State of Delaware. OMSI has its registered office at 2711, Centerville Road, Suite 400, City of Wilmington, County of New Castle, 19808, in State of Delaware. The incorporation number of the company is 020558306 – 3144051. The name of the company was changed to OMSI by filing certificate of amendment dated February 16, 2001 with the Secretary of State of the State of Delaware. The purpose of the company is to engage in the lawful act or activity for which a corporation may be organised under the General Corporation Law of Delaware.

OMSI entered into Series A Preferred Stock Financing arrangement with Infosys Technologies Limited ("**Infosys**") closing May 5, 2000 pursuant to which upto 100,000 shares of Series A Voting Preferred Stock and 4,400,000 shares of Series A Non-Voting Preferred Stock were issued to Infosys as consideration for purchase of right, title and interest in, and certain additional licensing rights with respect to software product known as 'OnScan Internet notification System'. An asset agreement and a general services agreement was executed in this regard beween OMSI and Infosys and amended and restated certificate of incorporation was filed by OMSI on May 4, 2000 with the Secretary of State of the State of Delaware.

OMSI along with Arvind Rao and Infosys entered into Series B Convertible Preferred Stock Purchase Agreement dated June 9, 2000 with certain investors including Argo II: The Wireless – Internet Fund Limited Partnership by Argo Global Capital II Partners L.P and Argo GP, Inc. as its general partners and ARGC IV, L.P. for sale and issue of up to 6,996,000 shares of Series B Convertible Preferred Stock. Amended and restated certificate of incorporation was filed by OMSI on June 8, 2000 with the Secretary of State of the State of Delaware. OMSI and

the investors have also executed Investor Rights Agreement dated June 9, 2000 containing certain restrictions on transferability and grant of registration rights with respect to the shares held by the aforesaid investors in OMSI. Further, Right of First Refusal and Co-Sale Agreement dated June 9, 2000 have also been executed between OMSI and the investors in this regard granting the holders of preferred stock a right of first refusal and co-sale prior to any transfer of securities by common stockholders.

Further, Series C Preferred Stock Purchase Agreement dated September 6, 2002 was entered into between OMSI, Argo II: The Wireless – Internet Fund Limited Partnership, ARGC IV, L.P. and Asia Pacific Growth Fund III, L.P. for sale and issue of 12,127,316 shares of Series C Preferred Stock at the initial closing and upto 1,660,438 additional shares of Series C Preferred Stock upon OMSI achieving the relevant milestones. Amended and Restated Investor Rights Agreement and Amended and Restated Right of First Refusal and Co-Sale Agreement both dated September 6, 2002 were executed between OMSI, the stockholders of OMSI and the investors amending the Investment Agreement and Co-Sale Agreement both dated June 9, 2000. Amended and restated certificate of incorporation was filed by OMSI on September 5, 2002 with the Secretary of State of the State of Delaware.

Secondary Sale

OMSI has sold 2,042,141 Equity Shares of the Company, and Kings Road Investments (Mauritius) Limited has sold 800,000 Equity Shares of the Company at a price of Rs. 425 per Equity Share (the "**Secondary Sale**"). For details see "History and Certain Corporate Matters – Shareholders' Agreement and other Material Agreements **-** Agreements for the Secondary Sale" on page 93. OMSI has engaged Deutsche Bank AG, Hong Kong, an affiliate of Deutsche Equities India Private Limited (a BRLM), as the sole lead arranger in connection with the Secondary Sale. All investors acquiring Equity Shares through the Secondary Sale from OMSI and Kings Road Investments (Mauritius) Limited will be subject to a lock-in expiring one year from the date of Allotment in the Issue.

Shareholding as of January 31, 2008

The shareholding pattern of OMSI is as follows:

Shareholder Name	Common Stock	% age Shareholding
Infosys Technologies Limited (Voting 217,450 and Non-Voting 5,167,801)	5,385,251	17.89
Argo Global Capital (through ARGC IV, LP, ARGC V, LP and ARGO II: The wireless internet fund)	18,609,325	61.81
Asia Pacific Growth Fund III	1,928,502	6.41
Satwik (through Satwik Fund I, LLP and Satwik Affiliate Fund I, LLP)	327,868	1.09
GGEP coinvestment partner, LLP	68,107	0.23
Chadha Kanwar	39,579	0.13
Greenoaks Venture	158,318	0.53
Carlydale Holdings Limited	184,597	0.61
Cornerstone Properties I, LLP	126,654	0.42
Arvind Rao	1,527,500	5.07
Chandramouli Janakiraman	614,000	2.04
Sarojini Shibulal Damodaran	500,000	1.66
Gopalakrishnan Semapathy	200,000	0.66
Mathew Jackson	15,000	0.05
Ganapathy Palamadai R	15,000	0.05
AFAC Equity, LP	150,000	0.50
ZAR Capital	75,000	0.25
MFP - 2000 LP	25,000	0.08
Hunt recruiting	23,318	0.08
Lau Charles	5,600	0.02

Thierry - NSO	5,000	0.02
Paul Choquette - NSO	9,600	0.03
Victor Bannon - NSO	1,000	0.00
Vijay Prajan	34,000	0.11
Abraham Mathews	60,000	0.20
Susmita Bhattacharjee	1,060	0.00
Vipin Menon	16,320	0.05
Total	**30,105,599**	**100.00**

Further, as of *January 31, 2008*, OMSI has 2,411,075 granted and outstanding stock options and 390,000 outstanding share warrants.

Warrant Holder Name	Number of Warrants
Balakrishnan K.V.	100,000
Krishna Kumar	45,000
Nithyanandan R	40,000
Padmanabhan D	40,000
Sandeep Raju	40,000
Srinivasan V	30,000
Aveejeet Palit	25,000
Komal Jain	25,000
Sridhar Dhulipala	25,000
Bharath Patil	10,000
Warren & Morris	10,000
Total	**390,000**

Certain shareholders of OMSI, pursuant to a letter dated July 30, 2007 from OMSI, agreed to participate in an 'election process' which resulted in a redemption of the common stock from the proceeds of the Offer for Sale or the Secondary Sale (less expenses, taxes and other costs). The redemptions wereare on the basis of the existing ratio of OMSI to our Company shares of 0.77. The ratio of 0.77 has been calculated as the ratio of the total number of equity shares of OMSI in our Company to the total number of shares in OMSI (including warrants and options), i.e., 29,733,197 divided by 38,514,577. The aforesaid shareholding pattern is post the election process.

Directors as of January 31, 2008

The board of directors of OMSI comprises H.H. Haight IV, Charles Sirois and Arvind Rao.

Financial Performance

(In US$ million except share data)

	Fiscal 2007	Fiscal 2006	Fiscal 2005
Sales and other income	-	-	0.08
Profit/Loss after tax	(0.16)	(0.29)	(0.25)
Reserves and Surplus	1.78	1.93	2.23
Equity capital (par value US$ 0.001)	0.03	0.03	0.03
Earnings per share (US$)	(0.00)	(0.01)	(0.01)
Book value per share	0.05	0.06	0.06

The U.S. dollar amounts mentioned above have been converted into Rupees on the basis of the relevant exchange rate as of March 31 of each year and presented below.

(In Rs. million except share data)

	Fiscal 2007	Fiscal 2006	Fiscal 2005
Sales and other income	-	-	3.59

	Fiscal 2007	Fiscal 2006	Fiscal 2005
Profit/Loss after tax	(6.80)	(13.02)	(11.09)
Reserves and Surplus	76.72	86.04	97.14
Equity capital	1.33	1.37	1.34
Earnings per share	(0.19)	(0.36)	(0.31)
Book value per share	2.19	2.45	2.76

OMSI is an unlisted company and it has not made any public or rights issue in the preceding three years. It has not become a sick company under the meaning of SICA and it is not under winding up.

We confirm that the Permanent Account Number (Employer Identification Number), Bank Account Numbers, the Company Registration Numbers and the address of the Secretary of State, State of Delaware where OMSI is registered have been submitted to the NSE and the BSE at the time of filing the Draft Red Herring Prospectus with them.

Promoter Group

Relatives of the Promoters that form part of the Promoter Group under Clause 6.8.3.2 of the SEBI Guidelines

Promoter	Name of the Relative	Relationship
Arvind Rao	Sharad Rao	Brother
Chandramouli Janakiraman	P.V. Sunitha	Wife
	V. Janakiraman	Father
	J. Radha	Mother
	J. Ramesh	Brother
	J. Seetha	Sister
	P.S. Venkatasubramanian	Wife's Father
	N.K. Parvathi	Wife's mother
	P.V. Kannan	Wife's Brother

Companies forming part of our Promoter Group under Clause 6.8.3.2 of the SEBI Guidelines

Infosys Technologies Limited

Infosys Technologies Limited is Promoter Group in relation to OnMobile Systems Inc., within the meaning of Clause 6.8.3 Explanation II of SEBI DIP Guidelines which reads as follows *"Promoter Group shall include (c) in case promoter is a company: (ii) any company in which the promoter holds 10% of more of the equity capital or which holds 10% or more of the equity capital of the promoter"*. Infosys Technologies Limited holds more than 10% of our Promoter. However, please note that our Company and Infosys Technologies Limited are not companies under the same management in terms of section 370(1B) of the Companies Act, 1956. Infosys Technologies Limited neither controls nor participates in the management of our Company.
Further, Infosys Technologies Limited does not hold any part of the share capital of our Company.

Argo Global Capital (through ARGC IV, LP, ARGC V, LP and ARGO II: The wireless internet fund) ("Argo")

Argo is Promoter Group in relation to OnMobile Systems Inc., within the meaning of Clause 6.8.3 Explanation II of SEBI DIP Guidelines which reads as follows *"Promoter Group shall include (c) in case promoter is a company: (ii) any company in which the promoter holds 10% of more of the equity capital or which holds 10% or more of the equity capital of the promoter"*. Argo holds more than 10% of our Promoter. However, please note that our Company and Argo are not companies under the same management in terms of section 370(1B) of the Companies Act, 1956.

Further, Argo does not hold any part of the share capital of our Company.

RiffMobile Private Limited

RiffMobile Private Limited was incorporated on July 1, 2005. The corporate identification number of the company is U 72900 MH 2005 PTC 154427. The registered office of the company is situated at 110 Arun Chambers, Tardeo, Mumbai 400034.

The main objects of the company include carrying out in India or abroad the business of creating, sourcing, producing wireless content such as ringtones, music cards, mobile games, ringback tones, hiphop music, urban music, music messages, and/or any other form of content of an audio-visual nature for distribution and exploitation via digital means, and also engaging in promotional and marketing campaigns in the wireless media, carrying out in India or abroad the business of deploying mobile services for promotion and advertising and sharing music on wireless services and also use mobile services in the business to produce, promote, manipulate, prepare, run, import, export ringtones, mobile games, and any other mobile entertainment wireless music and video and audio rights, telecast wireless movies and to make multimedia presentations and manufacture of all types of presentation items in connection with wireless media entertainment activities.

Shareholding as of January 31, 2008

The shareholding pattern of equity shares of the company is as follows:

S.No	Shareholder	Number of shares	Percentage
1.	Arvind Rao	9,900	99
2.	Sandhya Gupta	100	1
	TOTAL	**10,000**	**100**

Directors as of January 31, 2008

The board of directors comprises Arvind Rao and Sandhya Gupta.

Financial Performance

(In Rupees million except for per share data)

	Fiscal 2007	Fiscal 2006
Sales and other Income	1.471	0.135
Profit/loss after tax	(0.392)	(0.170)
Reserves and Surplus	(0.562)	(0.170)
Equity capital (par value Rs. 10)	0.100	0.100
Earnings per share	(39.21)	(17.025)
Book Value per share	(46.24)	(7.02)

Mobile Traffik Private Limited

Mobile Traffik Private Limited was incorporated on December 30, 2002. The corporate identification number of the company is U 64201 KA 2002 PTC 031407. The registered office of the company is situated at 310, 1st Cross, Thimmareddy Colony, Jeevanbhima Nagar, Bangalore 560075.

The main objects of the company include carrying on the business of m-commerce, web, telecom, datacom, networking, electronic media, e-commerce, internet, and all kinds of communication systems and services and to carry on business of assembly, installation, operation, maintenance, servicing, public mobile telecommunications networks, private telecommunication networks, group switching networks, long distance carriers, local exchange networks and to sell all types of telecommunication and transmission equipments, systems, components, sub assemblies and spares thereof in India and abroad; and carrying on the business of designing, developing, researching and otherwise dealing or handling all types of telecom products, computers and computer related systems, software and hardware systems, communication systems, integrated circuits; servicing of all types of telecom and all computer related systems and designing, developing, improving, marketing, selling and licensing telecom products, hardware, software, firmware and programms of any and all description.

Shareholding as of January 31, 2008

The shareholding pattern of equity shares of the company is as follows:

S.No	Shareholder	Number of shares	Percentage
1.	Arvind Rao	5,000	50
2.	Sandhya Gupta	5,000	50
	TOTAL	**10,000**	**100**

Directors as of January 31, 2008

The board of directors of the company comprises Arvind Rao and Sandhya Gupta.

Financial Performance

(In Rupees million except for per share data)

	Fiscal 2007	Fiscal 2006	Fiscal 2005
Sales and other Income	Nil	Nil	Nil
Profit/loss after tax	(0.010)	(0.009)	(0.010)
Reserves and Surplus	(0.028)	(0.018)	(0.008)
Equity capital (par value Rs. 10)	0.100	0.100	0.100
Earnings per share	(0.99)	(0.99)	(1.02)
Book Value per share	7.22	8.21	9.19

Interest of our Promoters

Our Promoters are interested in our Company to the extent that they have promoted our Company, their shareholding in our Company and to extent of them being directors of our Company. For further interest, of our Directors, see section 'Our Management - Interests of Directors' on page 105.

Our Promoters have no interest in any property acquired by our Company or proposed to be acquired by our Company.

Common Pursuits

It is confirmed that none of the promoter group entities are in the same line of business or have common pursuits In the event required, we shall adopt the necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise. For, further details on the related party transactions, to the extent of which our Company is involved, see "Related Party Transactions" on page 119.

Sick Company

None of the companies forming part of our Promoter Group have been declared sick in the past.

Disassociation by the Promoters in the last three years

Except as stated below, none of our Promoters have disassociated themselves from any of the companies/firms during preceding three years.

Name of the Company	Relationship with the Promoter	Reasons for Disassociation	Date of Disassociation
Cellphone Entertainment (Mumbai) Private Limited	Promoter was a shareholder	Sale of shares	July 17, 2007

Payment or Benefit to Promoters

Except as stated in "Related Party Transactions" on page 119, no amount or benefit has been paid or given to any Promoter within the two preceding years from the date of filing of this Prospectus or is intended to be paid.

Other Confirmations

Our Promoters have further confirmed that they have not been declared as willful defaulters by the Reserve Bank of India or any other Governmental authority and there are no violations of securities laws committed by them in the past or are pending against them.

RELATED PARTY TRANSACTIONS

I. List of Related parties and relationship:

Sl No	Relationship	For the half year ended September 30, 2007	For the year ended March 31, 2007	For the half year ended September 30, 2006	For the year ended March 31, 2006	For the year ended March 31, 2005	For the 15 month period ended March 31, 2004	For the year ended December 31, 2002
(i)		**Controlling Enterprises**						
	Holding Company	OnMobile Systems Inc., USA	OnMobile Systems Inc., USA	OnMobile Systems Inc., USA	OnMobile Systems Inc., USA	OnMobile Systems Inc.,USA	OnMobile Systems Inc., USA	OnMobile Systems Inc., USA
(ii)		**Other related parties with whom the company had transactions**						
	Key Management Personnel	Arvind Rao Chandramouli Janakiraman	Arvind Rao Chandramouli Janakiraman	Arvind Rao Chandramouli Janakiraman	Arvind Rao Chandramouli Janakiraman	Arvind Rao Chandramouli Janakiraman	Arvind Rao Abraham Mathews Amit Kumar Dey Chandramouli Janakiraman	Arvind Rao Abraham Mathews Amit Kumar Dey Susmita Bhattacharjee Chandramouli Janakiraman

Arvind Rao and Chandramouli Janakiraman are also Promoters of our Company.

II. Transactions with Related Parties

(Amount in Rs. Million)

		September 30, 2007	March 31, 2007	September 30, 2006	March 31, 2006	March 31, 2005	March 31, 2004	December 31, 2002
1	Income from services*							
	OnMobile Systems Inc., USA	-	-	-	-	-	-	6.40
	Total	**-**	**-**	**-**	**-**	**-**	**-**	**6.40**
2	**Remuneration**							
	Abraham Mathews						1.26	0.06
	Amit Kumar Dey						1.57	0.93
	Susmita Bhattacharjee							0.47
	Arvind Rao	4.05	13.85	1.67	-	-	-	-
	Chandramouli Janakiraman	1.75	2.71	0.98	1.95	2.10	1.99	0.21
	Total	**5.81**	**16.57**	**2.65**	**1.95**	**2.10**	**4.82**	**1.67**
3	**Purchase of fixed Assets/other items**							
	OnMobile Systems Inc., USA	-	-	-	-	3.39	98.74	3.88
	Total	**-**	**-**	**-**	**-**	**3.39**	**98.74**	**3.88**
4	**Sale of fixed Assets/other items**							
	OnMobile Systems Inc., USA	-	-	-	-	-	-	4.04
	Total	**-**	**-**	**-**	**-**	**-**	**-**	**4.04**
5	Amount Payable							
	OnMobile Systems Inc.	66.67	73.29	78.84	78.77	87.22	96.48	2.54
	Total	**66.67**	**73.29**	**78.84**	**78.77**	**87.22**	**96.48**	**2.54**
6	Amount Receivable							
	Other Advances							
	Arvind Rao	0.38	2.10	2.96	2.91	2.15	0.93	-
	Chandramouli Janakiraman	-	0.01	0.04	-	-	-	-
	Total	**0.38**	**2.11**	**3.00**	**2.91**	**2.15**	**0.93**	

** Income from services is in the nature of income towards software development/consultancy charges.*

Notes:

1. *Related party relationships are as identified by the company on the basis of information available with them and accepted by the auditors.*
2. *No amount has been written off or written back during the year in respect of debts due from or to related party.*

DIVIDEND POLICY

Our Company has not declared any dividends in the past and does not have any dividend policy, as of the date of filing of this Prospectus. The declaration and payment of dividend will be recommended by our Board of Directors and approved by our shareholders at their discretion and will depend on a number of factors, including but not limited to, our profits, capital requirements and overall financial condition. The Board may also from time to time pay interim dividend.

SECTION V: FINANCIAL STATEMENTS

FINANCIAL STATEMENTS OF ONMOBILE GLOBAL LIMITED

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FINANCIAL STATEMENTS OF VOX MOBILI S.A

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CONSOLIDATED FINANCIAL INFORMATION OF ONMOBILE GLOBAL LIMITED

The Board of Directors
OnMobile Global Limited
Bangalore

Dear Sirs,

Re: Public issue of Equity Shares of OnMobile Global Limited (formerly OnMobile Asia Pacific Private Limited)

We have examined the consolidated financial information of OnMobile Global Limited (formerly OnMobile Asia Pacific Private Limited) ('the Company') and its subsidiaries, annexed to this report for the purpose of inclusion in the Prospectus and initialed by us for identification. The consolidated financial information has been prepared by the Company and approved by the Board of Directors which has been prepared in accordance with:

a) paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ('the Act');

b) Securities and Exchange Board of India – Disclosure and Investor Protection Guidelines, 2000 ('the Guidelines') issued by the Securities and Exchange Board of India ('SEBI') pursuant to Section 11 of the Securities and Exchange Board of India Act, 1992; and related clarification;

c) the terms of reference received from the Company requesting us to carry out work in connection with the offer document being issued by the Company in connection with its Proposed Initial Public Offer ('IPO') of Equity Shares.

Financial Information as per the Audited Consolidated Financial Statements

1. We have examined the attached 'Restated Summary Statement of Consolidated Assets and Liabilities' of the Company as at December 31, 2002; March 31, 2004, 2005, 2006, September 30, 2006, March 31, 2007 and September 30, 2007 (Annexure 1), the attached 'Restated Summary Statement of Consolidated Profits and Losses' for the year ended December 31, 2002; 15 months period ended March 31, 2004, each of the years ended March 31, 2005, 2006, six months period ended September 30, 2006, year ended March 31, 2007, and six months period ended September 30, 2007 (Annexure 2) and the attached 'Restated Consolidated Cash Flow Statement' for the year ended December 31, 2002; 15 months period ended March 31, 2004, each of the years ended March 31, 2005, 2006, six months period ended September 30, 2006, year ended March 31, 2007 and six months period ended September 30, 2007 (Annexure 3), together referred to as 'Restated Consolidated Summary Statements'.

   These Restated Consolidated Summary Statements have been extracted from the consolidated financial statements of each of the years ended March 31, 2005, 2006, six months period ended September 30, 2006, year ended March 31, 2007 and six months period ended September 30, 2007 have been adopted by the Board of Directors for those respective years and periods and audited by us, being the auditors of the Company for those years. The Company did not have any subsidiaries, during the year ended December 31, 2002 and 15 months period ended March 31, 2004. Thus, the Company's stand alone audited financial statements for those periods have been considered for presentation in the restated Consolidated Financial information

   In issuing our Consolidated Auditors' Report we have relied on the reports of the other auditors of the subsidiary companies to the extent stated therein.

   With respect to half year ended September 30, 2007, the financial statements of a subsidiary, whose financial statements reflect total assets of Rs. 1.04 Million and total revenues of Rs. 0.55 Million and net cash inflow amounting to Rs 0.45 Million and with respect to half year ended September 30, 2006 the financial statements of another subsidiary, whose financial statements reflect total assets of Rs. 0.18 Million and total revenue of Rs. Nil and net cash inflow amounting to Rs 0.06 Million have been compiled by the management and have not been subject to audit by independent auditors.

   Based on our examination of these Restated Consolidated Summary Statement, we state that:

a) Annexure 1 contains the Restated Summary Statement of Consolidated Assets and Liabilities of the Company as at December 31, 2002; March 31, 2004, 2005, 2006, September 30, 2006, March 31, 2007 and September 30, 2007;

b) Annexure 2 contains the Restated Summary Statement of Consolidated Profits and Losses of the Company for the each of the year ended December 31, 2002, 15 months period ended March 31, 2004, each of the years ended March 31, 2005, 2006, six months period ended September 30, 2006, year ended March 31, 2007 and six months period ended September 30, 2007;

c) Annexure 3 contains the Restated Consolidated Cash Flow Statement for the year ended December 31, 2002, 15 months period ended March 31, 2004, each of the years ended March 31, 2005, 2006, six months period ended September 30, 2006, year ended March 31, 2007 and six months period ended September 30, 2007;

d) Annexure 4 contains the Notes on adjustments made in the Restated Consolidated Summary Statements, which have been restated with retrospective effect to reflect the significant accounting policies being adopted by the Company as at September 30, 2007; and

e) Annexure 5 contains Summary of Significant Accounting Policies and Notes.

Other Consolidated Financial Information

2. We have examined the following consolidated information as at and for the year ended December 31, 2002, 15 months period ended March 31, 2004; each of the years ended March 31, 2005, 2006, six months period ended September 30, 2006, year ended March 31, 2007 and six months period ended September 2007, of the Company, proposed to be included in the RHP, as approved by the Board of Directors and annexed to this report:

   a) Annexure 6 contains Restated Schedule of Consolidated Fixed Assets;

   b) Annexure 7 contains Restated Schedule of Consolidated Investments;

   c) Annexure 8 contains Restated Schedule of Consolidated Sundry Debtors;

   d) Annexure 9 contains Restated Schedule of Consolidated Cash & Bank Balances;

   e) Annexure 10 contains Restated Schedule of Consolidated Loans and Advances;

   f) Annexure 11 contains Restated Schedule of Consolidated Secured Loan

   g) Annexure 12 contains Restated Schedule of Consolidated Current Liabilities and Provisions;

   h) Annexure 13 contains Restated Schedule of Consolidated Share Capital;

   i) Annexure 14 contains Restated Schedule of Consolidated Other Income;

   j) Annexure 15 contains Restated Schedule of Consolidated Capital Commitments and Contingent Liabilities;
   k) Annexure 16 contains Restated Summary of Consolidated Major Accounting Ratios;

   l) Annexure 17 contains Consolidated Related Party Disclosure;

3. We have examined the Consolidated Capitalisation Statement of the Company as at September 30, 2007 included in Annexure 18.

4. The Company has not paid any dividend to its shareholders in the past. The interim dividend reflected in the financial statements for the year ended March 31, 2007 pertains to dividend paid by the acquired entity Itfinity Solutions Private Limited to its erstwhile shareholders prior to its acquisition by the Company but after the appointment date as per the Scheme of amalgamation.

5. In our opinion, the 'Financial Information as per Audited Consolidated Financial Statements' and 'Other Consolidated Financial Information' mentioned above as at and for the years ended December 31, 2002; 15 months period ended March 31, 2004; each of the years ended March 31, 2005, 2006, six months period ended September 30, 2006, year ended March 31, 2007 and six months period ended September 30, 2007 have been prepared in accordance with Part II of Schedule II of the Act and the Guidelines.

This report neither should in any way be construed as a reissuance or redating of any of the previous audit report by other firms of Chartered Accountants nor should this be construed as a new opinion on any of the consolidated financial statements referred to herein.

This report is intended solely for your information and for inclusion in RHP in connection with the proposed IPO of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Deloitte Haskins & Sells
Chartered Accountants

V. Srikumar
Partner
Membership No.: 84494

Place: Bangalore
Date: January 31, 2008

ONMOBILE GLOBAL LIMITED (formerly ONMOBILE ASIA PACIFIC PRIVATE LIMITED)

Annexure 1 - Restated Summary Statement of Consolidated Assets and Liabilities

(Amount in Rs. Million)

		As at September 30, 2007	As at March 31, 2007	As at September 30, 2006	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at December 31, 2002
FIXED ASSETS								
Gross Block		931.72	580.64	442.26	356.01	181.34	115.44	12.82
Less: Accumulated depreciation		396.56	289.23	210.63	143.00	57.90	13.11	6.08
Net Block		535.16	291.41	231.63	213.01	123.44	102.33	6.74
Add: Capital Work in Progress		188.90	42.87	10.77	-	5.05	-	-
Total	**A**	724.06	334.28	242.40	213.01	128.49	102.33	6.74
Goodwill on consolidation	**B**	1,338.59	-	-	-	-	-	-
INVESTMENTS	**C**	104.58	1,023.54	1,211.14	26.07	10.14	5.08	-
CURRENT ASSETS, LOANS AND ADVANCES								
Inventory		-	-	-	-	-	1.58	0.68
Sundry debtors		956.92	539.27	495.74	340.49	165.08	36.14	5.47
Cash and bank balances		155.37	211.61	172.24	39.93	41.68	29.25	8.44
Loans and advances		731.19	478.76	372.96	236.38	88.93	15.74	0.87
Total	**D**	1,843.48	1,229.64	1,040.94	616.80	295.69	82.71	15.46
Total (A+ B+ C+ D)	**E**	**4,010.71**	**2,587.46**	**2,494.48**	**855.88**	**434.32**	**190.12**	**22.20**
Deferred tax liability (net)		21.93	29.85	23.49	23.38	11.30	8.06	-
LIABILITIES AND PROVISIONS								
Secured Loans		300.00	-	-	-	-	-	-
UnSecured Loans		-	-	-	-	-	-	-
Current Liabilities & Provision		1,214.40	722.54	649.87	386.60	224.93	124.22	7.55
Total	**F**	**1,536.33**	**752.39**	**673.36**	**409.98**	**236.23**	**132.28**	**7.55**
Due to Erstwhile Shareholders of ITFINITY SOLUTIONS (P) LTD	**G**	-	191.66	405.14	-	-	-	-
Deferred Payment Liability	**H**	253.65	-	-	-	-	-	-
Stock options outstanding account	**I**	0.63	-	-	-	-	-	-
Net Worth (E-F-G-H-	**J**	**2,220.10**	**1,643.41**	**1,415.98**	**445.90**	**198.09**	**57.84**	**14.65**

I)							
Net Worth represented by							
SHAREHOLDERS' FUNDS							
Share capital	487.93	36.54	26.80	22.92	22.90	22.87	22.87
Reserves & surplus	1,732.17	1,606.87	1,389.18	422.98	175.19	34.97	(8.22)
Minority interest (Rs.264 as at September 30, 2007 and Rs.2,461as at September 30, 2006)	-	-	-	-	-	-	-
Total	**2,220.10**	**1,643.41**	**1,415.98**	**445.90**	**198.09**	**57.84**	**14.65**

ONMOBILE GLOBAL LIMITED (formerly ONMOBILE ASIA PACIFIC PRIVATE LIMITED)

Annexure 2 - Restated Summary Statement of Consolidated Profits and Losses

(Amount in Rs. Million)

	For the half year ended September 30, 2007	For the year ended March 31, 2007	For the half year ended September 30, 2006	For the year ended March 31, 2006	For the year ended March 31, 2005	For the period ended March 31, 2004	For the year ended December 31, 2002
INCOME							
Telecom Value Added Services							
- Domestic	1,059.67	1,269.72	529.03	784.80	387.76	118.65	14.05
- Export	20.40	36.79	-	-	0.57	-	6.40
Software Development							
- Domestic	9.80	8.52	2.10	-	-	-	-
- Export	2.71	15.18	9.48	-	-	-	-
Software Licence Fee							
- Domestic	11.21	13.50	4.50	27.00	14.06	50.75	-
- Export	17.38	-	-	-	-	-	-
Other Services	3.94	23.12	19.54	14.37	7.07	3.24	-
Other income	37.92	45.18	2.76	1.09	1.42	1.16	0.15
Net Income	**1,163.03**	**1,412.01**	**567.41**	**827.26**	**410.88**	**173.80**	**20.60**
EXPENDITURE							
Cost of Sales & Services	162.27	237.85	100.75	122.82	59.58	49.36	6.55
Manpower costs	266.53	278.59	120.66	114.88	46.11	35.76	12.44
Administration and other expenses	211.04	224.16	101.60	117.15	38.85	17.61	4.63
Total Operating Expenses	**639.84**	**740.60**	**323.01**	**354.85**	**144.54**	**102.73**	**23.62**
Earnings before Interest, Tax and Depreciation	**523.19**	**671.41**	**244.40**	**472.41**	**266.34**	**71.07**	**(3.02)**

Depreciation	99.83	144.04	65.44	85.10	44.78	8.52	4.00
Earnings before Interest and Tax	**423.36**	**527.37**	**178.96**	**387.31**	**221.56**	**62.55**	**(7.02)**
Finance charges	2.09	0.16	-	-	-	-	-
Earnings before Tax	**421.27**	**527.21**	**178.96**	**387.31**	**221.56**	**62.55**	**(7.02)**
Provision for taxation							
- current tax	115.22	165.16	64.29	124.91	78.10	11.30	0.14
- deferred tax	(4.41)	6.40	0.03	12.08	3.24	8.06	0.05
- fringe benefit tax	5.22	6.21	1.63	3.53	-	-	-
Earnings after Tax	**305.24**	**349.44**	**113.01**	**246.79**	**140.22**	**43.19**	**(7.21)**

ONMOBILE GLOBAL LIMITED (formerly ONMOBILE ASIA PACIFIC PRIVATE LIMITED)							
Annexure 2 - Restated Summary Statement of Consolidated Profits and Losses							
Profit of Share of Minority Interest (Rs.264 as at September 30, 2007 and Rs.2,461as at September 30, 2006)	-	-	-	-	-	-	-
Earnings after Tax after Minority Interest	**305.24**	**349.44**	**113.01**	**246.79**	**140.22**	**43.19**	**(7.21)**
Balance brought forward from previous year	728.42	421.98	421.98	175.19	34.97	(8.22)	(1.01)
Less: Provision for leave encashment (Refer Note 11 II (a) in Annexure 5)	7.00	-	-	-	-	-	-
Less: Transfer to capital redemption reserve (Refer Note 6 (b) in Annexure 5)	0.09	-	-	-	-	-	-
Less: Interim Dividend (Refer Note 10 in Annexure 5)	-	37.71	-	-	-	-	-
Less: Dividend Distribution tax	-	5.29	-	-	-	-	-
Balance carried forward to Balance sheet	**1,026.57**	**728.42**	**534.99**	**421.98**	**175.19**	**34.97**	**(8.22)**
No. of Equity Shares of 10 each outstanding	**48,792,783**	**3,300,207**	**2,322,458**	**1,000,000**	**1,000,000**	**1,000,000**	**1,000,000**

Weighted average no. of Equity Shares of 10 each outstanding							
- Basic	**44,593,694**	**26,634,907**	**19,307,283**	**13,000,000**	**13,000,000**	**13,000,000**	**13,000,000**
-Diluted	**50,430,551**	**48,973,777**	**48,521,495**	**34,442,667**	**29,733,457**	**29,733,457**	**29,733,457**
Earnings/ (Loss) Per Share (Rs.)							
- Basic	**7**	**13**	**6**	**19**	**11**	**3**	**(1)**
-Diluted	**6**	**7**	**2**	**7**	**5**	**1**	**-**

1. Earnings per share is calculated in accordance with Accounting Standard 20 'Earning Per Share', issued by the Institute of Chartered Accountants of India

2. The convertible preference shares are anti-dilutive and are ignored in the calculation of diluted earnings per share for the year December 31, 2002.

3. In the Annual General Meeting held on August 17, 2007, the shareholders have consented for issuance of 12 equity shares of face value of Rs 10/- each as bonus shares for every one share held by the equity shareholders of the Company whose name appear in the register of members as on the record date, by capitalisation of Capital Redemptions Reserve and Securities Premium Account. Subsequently, the Board of Directors vide their circular resolution on August 18, 2007 have alloted the said bonus shares. Consequently, the calculation of basic and diluted earnings per share has been adjusted for the increase in number of equity shares outstanding as a result of the issuance of bonus equity shares, for all the periods presented.

ONMOBILE GLOBAL LIMITED
(formerly OnMobile Asia Pacific Private Limited)

Annexure 3 - Restated Cash Flow Statement *(Amount in Rs. Million)*

		For the half year ended		For the year ended		For the half year ended		For the year ended		For the year ended		For the 15 month period ended		For the year ended	
		Sep 30, 2007		March 31, 2007		Sep 30, 2006		March 31, 2006		March 31, 2005		March 31, 2004		December 31, 2002	
A	Cash flow from operating activities														
	Earnings before taxation		372.35		525.45		178.51		387.75		222.73		62.55		(7.03)
	Depreciation and amortisation	97.77		143.50		65.44		85.10		44.78		8.52		4.00	
	Interest income	(5.26)		(7.85)		(1.61)		(0.20)		(0.30)		(0.22)		(0.03)	
	Yield on investments	(29.66)		(35.07)		(0.62)		(0.99)		(0.99)		(0.20)		-	
	Loss/(Profit) on sale of assets	-		0.01		0.02		-		-		(0.65)		-	
	Profit on redemption of investments	(0.14)		(0.02)		(0.02)		(0.00)		(0.12)		(0.02)		-	
	Unrealised foreign exchange (Gain) / loss	(6.28)		(1.75)		(2.46)		1.91		0.42		-		-	
	Finance Charges	2.09	58.52	0.16	98.97	-	60.75	-	85.82	-	43.80	-	7.43	-	3.97
	Changes in current assets and liabilities														
	Inventory	-						-		1.58		(0.90)		(0.68)	
	Sundry debtors	(293.30)		(187.48)		(141.12)		(176.40)		(128.95)		(30.67)		3.81	
	Loans and advances	(96.67)		(21.76)		(1.97)		(33.69)		(7.45)		(3.48)		0.18	
	Current liabilities and provisions	294.44	(95.53)	155.89	(53.35)	105.76	(37.33)	38.67	(171.42)	22.22	(112.60)	105.61	70.57	5.72	9.03

	Net cash generated from operations	335.34	571.08	201.93	302.15	153.93	140.55	5.97					
	Income taxes including FBT paid during the year	(128.37)	(215.34)	(126.82)	(112.99)	(67.09)	(11.64)	(0.46)					
	Net cash generated from operating activities (a)	206.97	355.74	75.11	189.16	86.84	128.91	5.51					
B	Cash flow from investing activities												
	Purchase of fixed assets and change in capital work-in-progress	(473.92)	(255.69)	(93.67)	(174.64)	(70.95)	(104.68)	(2.84)					
	Proceeds from sale of fixed assets	-	0.03	0.02	-	-	1.23	4.51					
	Investment in subsidiaries	(1,057.64)	(195.07)	-	(5.34)	(0.28)	-	-					
	Sale/ (Investment) in securities	948.53	(996.43)	(1,184.03)	(15.93)	(4.95)	(5.06)	-					
	Interest income	5.26	36.21	1.61	0.20	0.30	0.22	0.03					
	Yield on investments	29.66	(548.11) 6.71	(1,404.24) 0.62	(1,275.45) 1.00	(194.72) 0.99	(74.89) 0.20	(108.10) -	1.70				
	Net cash used in investing activities (b)		(548.11)	(1,404.24)	(1,275.45)	(194.72)	(74.89)	(108.10)	1.70				
C	Cash flow from Financing activities												
	Proceeds from issuance of share capital net of share issue expense of Rs.80,396,948/- for the year 2006-07	0.23	1,225.27	1,295.97	0.03	0.03	-	-					
	Redemption of preference shares	(33.04)	-	-	-	-	-	-					
	Proceeds from Short term Borrowings	300.00	-	-	-	-	-	-					
	Finance charges	(2.09)	(0.16)	-	-	-	-	-	-	-			
	Dividends paid during the year	-	(37.71)	-	-	-	-	-					
	Dividend tax paid during the year	-	265.10 (5.29)	1,182.11 -	1,295.97 -	0.03 -	0.03 -	-					
	Net cash used in financing activities (c)	265.10	1,182.11	1,295.97	0.03	0.03	-	-					
	NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS (a + b + c)	(76.04)	133.61	95.63	(5.53)	11.98	20.81	7.21					
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	205.38	35.70	35.70	41.23	29.25	8.44	1.23					
	CASH AND CASH EQUIVALENTS OF ITFINTY SOLUTIONS PVT LTD AT THE BEGINNING OF THE YEAR	-	36.07	36.07	-	-	-	-					
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	129.34	205.38	167.40	35.70	41.23	29.25	8.44					

Annexure 4

Notes on adjustment made in the restated Consolidated Summary Statements

Summary of adjustment on account of change in accounting policies, prior period items and material items

(Amount in Rs. Million)

Particulars	For the half year ended	For the year ended	For the half year ended	For the year ended	For the year ended	for the 15 month period ended	For the Year ended
	September 30, 2007	March 31, 2007	September 30, 2006	March 31, 2006	March 31, 2005	March 31, 2004	December 31, 2002
Profit/(Loss) as per audited Accounts	300.86	342.71	113.01	247.79	140.06	43.08	(7.59)
Net Impact on amalgamation	-	12.63	-	-	-	-	-
Impact on changes in accounting policies							
Miscellaneous Expenditure	-	-	-	-	0.16	0.27	0.22
Impact on material adjustment and prior period items							
Prior year adjustment	6.90	(5.90)	-	(1.00)			
Excess provision written back	(2.52)	-	-	-	-	(0.16)	0.16
Adjusted Profit/(loss) Accounts	305.24	349.44	113.01	246.79	140.22	43.19	(7.21)

Explanatory Notes for these adjustments are discussed below:

a) **Miscellaneous Expenditure:-** Until the financial year ended March 31, 2005, the Group had incurred certain 'preliminary expenditure', which was being amortized over a period of five years in line with the then AccountingStandard. As Accounting Standard 26 on 'Intangible Assets', was made mandatory for the accounting period commencing on or after April 1, 2003 the Group changed its policy to charge such expenses to the profit & loss account in the year in which they were incurred.

Accordingly the carrying amount of preliminary expenditure forming part of the Balance Sheets as at December 31, 2002, March 31, 2004 and March 31, 2005 which were not recognised in the Profit & Loss account have now been restated and recognised in the year to which it relates.

b) **Excess Provision Written Back:-** Excess provision written back in the profit and loss account pertaining to earlier financial years has now been restated and recognized as income in the respective years to which they were related.

c) **Prior year adjustment:-** Prior year adjustments relating to income tax as disclosed in the Profit & Loss Account have been restated and charged to the respective years to which they are related.

d)	Net impact on amalgamation of Itfinity Solutions Private Limited is towards profit for the year 2006-07 giving effect to the scheme of amalgamation from appointed date viz. April 1, 2006.

B. Unadjusted Regrouping:-	

a)	Retirement Benefits:- Accounting Standard 15 (Revised 2005) on 'Employee Benefits' was applicable from April 1, 2006. Accordingly the liability for employee benefits has been calculated and recognized as per the revised Accounting Standard - 15 for the half year ended September 30, 2007. The additional provision for the earlier years has been adjusted against the opening reserves.

ANNEXURE 5 – Significant Accounting Policies and Notes on Accounts

A Significant accounting policies

1. Basis of preparation of financial statements

The Consolidated Financial statements relate to OnMobile Global Limited (formerly OnMobile Asia Pacific Private Limited) (the Company) and its subsidiaries.

The Consolidated financial statements are prepared under the historical cost convention on the accrual basis of accounting, in accordance with Indian Generally Accepted Accounting Principles ("**GAAP**"). GAAP comprises mandatory accounting standards issued by the Institute of Chartered Accountants of India ("**ICAI**") and the provisions of the Companies Act, 1956. The management evaluates all recently issued or revised accounting standards on an ongoing basis.

2. Principle of consolidation

The financial statements of the company and its wholly owned subsidiaries have been combined on a line by line basis by adding together like items of assets, liabilities, income and expense. The intra-group balances and intra-group transactions are eliminated.

The excess of cost to the company of its investments in the subsidiary over it's share of the equity of the subsidiary, at the date on which the investments in the subsidiary company was made, is recognized as 'goodwill' being an asset in the consolidated financial statements.

The following entities are considered in the consolidated financial statements.

Sl No	Name of entity	Country of Incorporation	% of Ownership held as on 30th September 07	% of Ownership held as on 31st March 07	% of Ownership held as on 30th September 06	% of Ownership held as on 31st March 06	% of Ownership held as on 31st March 05	% of Ownership held as on 31st March 04	% of Ownership held as on 31stDecember 02
1	OnMobile Australia Pty Ltd	Australia	100	100	100	100	-	-	-
2	OnMobile Singapore Pte Ltd	Singapore	100	100	100	100	100	-	-
3	Phonetiz solutions Private Limited	India	99.99	90	90	-	-	-	-
4	PT OnMobile Indonesia (w e f 11th June 2007)	Indonesia	100	-	-	-	-	-	
	Voxmobili SA (w e f 10th September 2007)	France	100	-	-	-	-	-	
	Voxmobili Inc (w e f 10th September 2007)	USA	100	-	-	-	-	-	

The Company did not have any subsidiaries, during the year ended December 31, 2002 and 15 months period ended March 31, 2004. Thus, the Company's stand alone audited financial statements for those periods have been considered for presentation in the restated Consolidated Financial information and hence not comparable with the figures for the years ended March 31, 2005, 2006 and 2007 and for the period ended September 30, 2007 and 2006.

The consolidation for the year 2005-06 includes figures of OnMobile Australia Pty Ltd which was set up during 2005-06 and hence figures for the earlier years/ period are not comparable.

The consolidation for the year 2006-07, half year ended September 30, 2007 and 2006 are prepared after giving effect to the amalgamation of ITfinity Solutions Private Limited with the Company from the appointed date viz., April 1, 2006 in terms of the Scheme of Amalgamation ("the **Scheme**") sanctioned by the Honorable High Court of Karnataka, Bangalore and the High Court of Judicature at Bombay vide their orders dated March 27, 2007 and April 21, 2007 respectively. The Scheme came into effect on May 14, 2007 and pursuant thereto all assets and debts, outstanding, credits, liabilities, benefits under income tax, excise, sales tax (including deferment of sales tax) benefits for and under STPI registrations, duties and obligations have been transferred to and vested in the Company retrospectively with effect from April 1, 2006.

The consolidation for the half year ended September 30, 2007 includes figures of Voxmobili S A and Voxmobili Inc. which were acquired during the period and hence figures for the earlier years/ period are not comparable.

3. Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and

expenses during the reported period. Examples of such estimates includes provision for doubtful debts,future obligations under employee benefit plans, income taxes and the useful lives of fixed assets. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reliably estimated. When no reliable estimate can be made, a disclosure is made as contingent liability.

Actual results could differ from those estimates.

4. Revenue Recognition

Revenue from Telecom Value Added Services including royalty income, net of customer credits, is recognized on provision of services in terms of revenue sharing arrangements with the telecom operators.

Revenue from sale of user licences for software applications 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.

Yield on investment is recognized on an accrual basis. Profit on sale of investments is recorded on transfer of title from the company and is determined as the difference between the sales price and the then carrying value of the investment.

5. Fixed assets

Fixed assets are stated at cost of acquisition including taxes, duties, freight and other incidental expenses relating to acquisition and installation.

Capital work in progress is stated at cost and includes advances paid to acquire fixed assets and the cost of fixed assets that are not ready for their intended use at the balance sheet date.

6. Depreciation

Depreciation on assets is provided using the straight-line method based on useful/commercial lives of these assets as estimated by the Management.

The useful/commercial lives for the Group Companies is as follows:

Category of Asset	No. of years
Leasehold Improvements	primary lease period
Building	61 years
Office equipment	3 to 10 years
Furniture & Fixtures	3 to 10 years
Computers & Electronic equipment	3 to 5 years
Computer Software	1 to 3 years
Motor Car	3 to 5 years

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

7. Investments

Short term investments are stated at lower of cost or market value and includes yield accrued.

Long term investments are stated at cost. Provision is made for any diminution in value of long term investment and other than that of a temporary nature.

8. Foreign currency transactions

Transactions in foreign currencies are translated at the exchange rate prevailing on the date of the transaction. Monetary assets and Monetary liabilities denominated in foreign currencies are translated at the

exchange rate prevalent at the date of the Balance sheet. Exchange differences arising on foreign currency translations are recognized as income or expense in the year in which they arise.

Exchange difference arising out of the translation of foreign currency assets and liabilities in subsidiaries is disclosed as foreign currency translation adjustment.

On consolidation, assets and liabilities (other than non-monetary items) are translated at the exchange rate prevailing on the balance sheet date. Non-monetary items are carried at historical cost. Revenue and expenses are translated at yearly average exchange rates prevailing during the year. Exchange differences arising out of these transactions are included under "Exchange translation difference" and charged to the Profit and Loss account in the being the "Integral operations".

9. Employee Benefits

a) Defined Contribution Plan
Company's contributions paid / payable during the year to Provident Fund are recognized in the Profit and Loss Account.

b) Defined Benefit Plan
Liabilities for gratuity funded in terms of a scheme administered by the Life Insurance Corporation of India, are determined by Actuarial Valuation made at the end of each financial year. Provision for liabilities pending remittance to the fund is carried in the balance sheet.

c) Liability for Leave Encashment is provided based on accumulated leave credit outstanding to the employees as on the date of balance sheet.

10. Employee Stock Option Plan

The Company has formulated 5 Employee Stock Option Plans ("**ESOP**") - OnMobile Employees Stock Option Plan – I 2003, OnMobile Employees Stock Option Plan – II 2003, OnMobile Employees Stock Option Plan – III 2006. OnMobile Employees Stock Option Plan – I 2007 and OnMobile Employees Stock Option Plan – II 2007.

The Company has obtained legal opinion that the guidance note on Accounting for Employees Share based payments are not applicable to OnMobile ESOP – I 2003 and II 2003. Options granted in terms of OnMobile Employee Stock Option Plan – III 2006, OnMobile Employees Stock Option Plan – I 2007 and OnMobile Employees Stock Option Plan – II 2007 to which the said guidance note is applicable, are accounted under intrinsic value method and accordingly, the difference between the fair value of the underlying shares and the exercise price, if any, is expensed as to profit and loss account over the period of vesting.

11. Leases

Leases arrangements, where the risks and rewards incident to ownership of an asset substantially vest with the lessor, are classified as operating leases and the lease rentals thereon are charged to the Profit & Loss account on accrual basis. Assets acquired under finance lease arrangements are recognized as an asset and a liability is set up at the inception of the lease, at an amount equal to lower of the fair value of the leased assets or the present value of the future minimum lease payments.

12. Income Tax

Income tax comprises the current tax provision, net change in deferred tax asset or liability in the year and fringe benefit 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 31st March each year.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between carrying values of the assets and liabilities and their respective tax bases and are measured using

enacted tax rates applicable on the Balance sheet date. Deferred Tax assets are recognized subject to management's judgement that realization is virtually certain.

The effect of changes in tax rates on deferred tax assets and liabilities is recognized in the income statement in the period of enactment of change.

Fringe benefit tax is provided as per provisions of the Income Tax Act, 1961.

Research Tax Rebate:

In accordance with French fiscal rules, the subsidiary Vox Mobili S.A. is entitled to special tax rebate/refund calculated based on the social cost of the research and development staff. Such tax rebate is recognised as other income on accrual basis.

13. Cash flow Statement

Cash Flow Statement has been prepared in accordance with the indirect method prescribed in Accounting Standard 3 issued by the Institute of Chartered Accountants of India. The cash flows from regular revenue generating, investing and financing activities of the company are segregated.

14. Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value. A previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

15. Earning per Share

In determining the earning per share, the company considers the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earning per share comprises the weighted average shares considered for deriving basic earning per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date.

16. Provisions and Contingencies

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

Provision for warranty is based on past technical experience.

B Notes on Accounts

1. Notes given below are extracted from the audited Financial Statements including disclosures relating to Accounting Standards applicable to the Company in those respective years.

2. The name of the Company was changed to "OnMobile Global Limited" from "OnMobile Asia Pacific Private Limited" with effect from August 21, 2007.

The name of the Company was changes to "OnMobile Asia Pacific Private Limited" from "Onscan Technologies India Private Limited" with effect from April 10, 2001.

3. Capital commitment (net of advances) as at the year end:

(Amount in Rs. Million)

September 30, 2007	March 31, 2007	September 30, 2006	March 31, 2006	March 31, 2005	March 31, 2004	December 31, 2002
135.23	90.15	12.20	Nil	7.37	Nil	Nil

4. During the year 2005-06, the Company has been named as one of the 18 defendants in a civil dispute for injunction pending adjudication. However in the opinion of the management no liability would arise in this regard.

5. The company has imported certain plant & machinery including on loan basis, at concessional/nil rate of duty under Software Technology Park of India Scheme with an obligation to export software of a specified value by March 31, 2008. As at September 30, 2007 there is a shortfall in meeting the export obligation amounting to Rs. 93.90 Million. The Company has filed an application to Software Technology Park of India for extending the Export Obligation period to 2009-2010 which is pending. Pending receipt of the extension, the company is contingently liable for customs duty amounting to Rs. 11.84 Million, interest thereon and penalty of the equivalent amount against export obligations to be met. The company has provided bank guarantee of Rs. 0.48 Million (net of margin money deposit) in respect of the same.

6. Amalgamation with ITfinity Solutions Pvt Ltd.

a) During December 2006, the Company acquired the 51% of share capital of ITFINITY Solutions Private Limited ('ITFINITY') which is in the same line of business, as the company, on December 22, 2006, for a total consideration of Rs. 213.48 Million based on an independent valuation, of which Rs. 195.07 Million was payable in cash and the balance consideration of Rs. 18.41 Million payable by allotment of equity shares of Rs. 10/- each based on an exchange ratio recommended by an independent valuer. Accordingly, the value of investment in ITFINITY has been recorded at Rs. 213.48 Million and the aggregated premium of Rs.18.26 Million on allotment of shares has been credited to the Securities Premium Account.

Subsequently ITFINITY has been amalgamated with the Company with effect from April 1, 2006, in terms of the Scheme of Amalgamation ("the **Scheme**") sanctioned by the Honorable High Court of Karnataka, Bangalore and the High Court of Judicature at Bombay vide their orders dated March 27, 2007 and April 21, 2007 respectively. The Scheme came into effect on May 14, 2007 and pursuant thereto all assets and debts, outstanding, credits, liabilities, benefits under income tax, excise, sales tax (including deferment of sales tax) benefits for and under STPI registrations, duties and obligations have been transferred to and vested in the Company retrospectively with effect from April 1, 2006.

Pursuant to the Scheme, the investment held by the Company in the said subsidiary is cancelled and the balance consideration to the minority shareholders aggregating to Rs. 191.66 Million, is paid by allotment of 30,997 equity shares of Rs. 10/- each fully paid up and 21,774 preference shares of Rs. 10/- each fully paid up in the Company. The amalgamation have been accounted for under the "Purchase Method" as prescribed by the Accounting Standard (AS-14) Accounting for Amalgamations prescribed by the Companies (Accounting Standards) Rules 2006 and in accordance with the Scheme, the assets and liabilities have been taken over at their book values. In terms of the scheme, the excess of consideration over the value of the net assets taken over being Goodwill arising on amalgamation as calculated below has been appropriated against the Securities Premium account. If accounted based on AS 14, goodwill would have been amortised over its useful life not exceeding 5 years from the effective date resulting in the profits for the period ended September 30, 2007 being lower by Rs. 35.85 Mio.

Goodwill arising on amalgamation:

Assets & Liabilities taken over:

	Rs. in Million	
Fixed Assets	1.20	
Investment	1.11	
Current Asset	58.91	
Current Liabilities	(14.59)	
Miscellaneous Expenditure	0.07	
Deferred Tax liabilities	(0.08)	
Total Net Assets as on April 1, 2006	46.62	**A**
Value of Consideration to Minority Shareholders	191.66	**B**
Cancellation of Investments	213.48	**C**
Goodwill on Amalgamation (Adjusted against Securities Premium Account)	358.52	**(B+C-A)**

b) Of the shares issued and allotted to the minority Shareholders of ITFINITY, as discussed in Para 5(a) above, 9,098 Preference shares were redeemed on June 01, 2007 at a premium of Rs. 3,622 each and 12,676 Preference Shares of Rs. 10/- each were converted into equity shares of Rs. 10/- each at par.

Capital Redemption Reserve has been credited to the extent of the face value of the Preference Shares redeemed during the year.

c) 24,430 Equity Shares issued to the founding members of ITFINITY on its amalgamation, have been retained in an escrow up to the committed period of their employment being up to December 20, 2008 ("**Employment Period**"). On expiration of the Employment Period, the shares shall be released to the Founders. According to the Employment Agreement read along with the Merger Agreement and the Escrow Agreement, if in case the employment gets terminated within the Employment Period due to reasons stated therein, the shares shall be transferred back to the Company.

7. Acquisition of Voxmobili S.A.

a) During the period, the Company has vide resolution of the board of directors dated July 12, 2007 and the share purchase agreement signed by and between the Company and the shareholders of Voxmobili S.A ("**Vox**") on July 18,2007 ("**Shares purchase agreement**") has acquired 6,501,708 shares consisting of 2,500,000 ClassA shares and 4,001,708 class B shares of Vox on September,10 2007 for a maximum total consideration of Euros 25.43 Million (aggregating to Rs 1,431.11 Million including Rs 2.50 Million of taxes payable towards transfer of shares) payable under the share purchase agreement as below:

1. Euros 18.74 Million in Cash

2. 423,722 equity shares (including bonus shares) of the Company payable to Founders of Vox valued at Euros 2.28 Million based on independent valuation and approved by the Foreign Investment and Promotion Board vide their letter dated September 5, 2007.

3. Euros 3.52 Million in cash subsequent to an earn out valuation adjustment as mentioned in the share purchase agreement, payable to the founders of Vox and

4. Euros 0.9 Million payable in Cash to the eligible key employees of Vox

Accordingly, the Company has issued 423,722 equity shares of Rs 10/- each and paid Euros 18.74 Million of which Euros 2.54 Million are paid into an escrow account which would be released to the founders at the end of 24 months on satisfaction of certain conditions. The balance consideration of Euros 4.42 Million (Rs 253.65 Million) is shown as deferred payment liability in the balance sheet.

b) In terms of the share purchase agreement, the Company is also liable to grant options exercisable are Rs 3881/- per option, for a total value aggregating to Euros 0.40 Million to the key employees other than the founders of Vox. No options have been granted thereon as at the balance sheet date.

8. In the general meeting held on August 17, 2007 the shareholders have consented for issuance of 12 Equity shares of face value of Rs. 10 each as bonus shares for every one share held by the Equity shareholders of the Company whose name appear in the register of members as on the record date, by capitalisation of capital redemption reserve and securities premium account. The Board of Directors by a circular resolution on August 18, 2007 has allotted 45,039,492 bonus shares (out of which 391,128 shares were allotted on September 10, 2007 after receipt of FIPB approval).

9. Events subsequent to balance sheet

Effective 1 July 2007, the operations of OnMobile Australia Pty Ltd has been transferred to OnMobile Global Limited. As a result of this, contractual costs effective 1 July 2007 have since been transferred and booked in branch operations.

10. The Company has not paid any dividend to its shareholders in the past. The interim dividend reflected in the financial statements for the year ended March 31, 2007 pertains to dividend paid by the acquired entity ITfinity Solutions Private Limited to its erstwhile shareholders prior to its acquisition by the Company but after the appointment date as per the Scheme of amalgamation.

11. Employee Benefits:

The Company has adopted the revised Accounting Standard (AS) 15 on Employee Benefits with effect from 1st April 2007, the details of which are given below:

I Defined Contribution Plans

During the year, the Company has recognized the following amount in the Profit and Loss Account-

Particulars	30 Sep 2007
	Rs
Employers' Contribution to Provident Fund including Family Pension Fund*	9.30

* Included in Contribution to provident and other funds.

II Defined Benefit Plan

a) Defined Benefit Plan (Leave Encashment):

In accordance with revised Accounting Standard 15 "Employee Benefit", issued by the Institute of Chartered Accountants of India, the transitional liability of Rs 10.52 Million in respect of unutilised leave salary existing as on 31 March 2007 is adjusted against opening balance of surplus in Profit & Loss account, net of deferred tax adjustment of Rs 3.52 Million.

Leave encashment benefit expensed in the Profit & Loss Account for the period is Rs.19.72 Million. Such liability was hitherto calculated on estimated pay out cost has in the current period been estimated on cost of compensated absences, the impact there on being profit for the current period lower by Rs. 7.40 Million.

b) Contribution to Gratuity Fund:

In accordance with Accounting Standard 15 (Revised 2005) actuarial valuation as on Sep 30, 2007 was done in respect of the aforesaid defined benefit plan of Gratuity based on the following assumptions.

Particulars	30 Sep, 2007
Discount Rate	8.05% p.a.
Expected Rate of Return on Plan Assets	7.50% p.a.
Salary Escalation Rate	10.0% p.a. for first 5 years& 7.0% p.a. thereafter

Change in Present Value of Obligation:-

Particulars	30 Sep, 2007
	Rs.
Present Value of Obligation as at 1st Apr, 2007	4.92
Current Service Cost	1.15
Interest on Defined Benefit Obligation	0.19
Benefits Paid	0
Net Actuarial Losses / (Gains) Recognized in Year	1.40
Past Service Cost	0
Losses / (Gains) on "Curtailments & Settlements"	0
Closing Present Value of Obligations	7.67

Change in the Fair Value of Assets

Particulars	30 Sep, 2007
	Rs
Opening Fair Value of Plan Assets	1.82
Expected Return on Plan Assets	0.08
Actuarial Gains / (Losses)	0.004
Assets Distributed on Settlements	0
Contributions by Employer	1.07
Assets Acquired due to Acquisition	0
Exchange Difference on Foreign Plans	0
Benefits Paid	0
Closing Fair Value of Plan Assets	2.98

Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of plan assets:

Particulars	30 Sep, 2007
	Rs
Closing Present Value of Funded Obligations	7.67
Closing Fair Value of Plan Assets	(2.98)
Closing Funded Status	4.69
Unrecognized Actuarial (gains) / losses	0
Unfunded Net Asset / (Liability) recognised in Balance Sheet	0

Amount recognized in the Balance Sheet

Particulars	30 Sep, 2007
	Rs
Closing Present value of obligations	7.67
Closing Fair Value of plan assets	(2.98)

Liability Recognised in the Balance Sheet	4.69

Expenses recognized in the Profit & Loss Account

Particulars	30 Sep, 2007
	Rs
Current Service Cost	1.15
Past Service Cost	0
Interest Cost	0.19
Expected Return on Plan Assets	(0.08)
Actuarial (Losses) / Gain	1.40
Losses / (Gains) on "Curtailments & Settlements"	
Total Expenses to be recognized in the Profit & Loss Account	2.66

This being the first year of adoption of revised AS-15 Employee Benefits, no comparative information or other disclosures relating to previous year have been provided in this accounts.

In respect of PT OnMobile Indonesia, since the Company has just established in February 2007 and the employees joined the Company in July, the Company believes that the PSAK 24 (Revision 2004) does not materially affect its financial position and results of operations.

12. Operating leases

The Company is obligated under non-cancelable operating lease for office space. Total rental expense under non-cancelable operating lease for the year for office:

(Amount in Rs. Million)

	For the half year ended September 30, 2007	For the year ended March 31, 2007	For the half year ended September 30, 2006	For the year ended March 31, 2006	For the year ended March 31, 2005	For the period ended March 31, 2004	For the year ended December 31, 2002
Rental expense	25.16	35.06	14.22	7.41	2.15	1.58	-

Future lease payments under non-cancelable operating lease for office space are as follows:

(Amount in Rs. Million)

Period	September 30, 2007	March 31, 2007	September 30, 2006	March 31, 2006	March 31, 2005	March 31, 2004	December 31, 2002
Not later than 1 year	86.49	39.92	39.26	30.31	0.92	2.04	-
Later than 1 year and not later than 5 years	256.15	172.93	137.83	115.08	-	-	-

13. Employee Stock Option Plans

a) During the year 2003-2004 the Company introduced 'OnMobile Employees Stock Option Plan – I 2003' and 'OnMobile Employees Stock Option Plan – II 2003' for the benefit of the employees, as approved by the board of directors in the meeting held on October 31, 2003 and December 4, 2003 respectively and Extra Ordinary General Meeting held on March 5, 2001 the Company has appropriated 1,026,000 & 114,000 equity shares of Rs.10/- each respectively to be granted to the eligible employees. The options are to be granted at the discretion of the compensation committee at the exercise price determined by them. In accordance with the terms of the stock option plans, 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.

Numbers of options granted, exercised and forfeited during the years under the above scheme are given below:

	For the half year ended September 30, 2007	For the year ended March 31, 2007	For the half year ended September 30, 2006	For the year ended March 31, 2006	For the year ended March 31, 2005	For the 15 month period ended March 31, 2004
Options granted outstanding at the beginning of the year	130,113	1,060,376	1,060,376	706,815	709,496	Nil
Granted in the earlier years not considered	Nil	Nil	Nil	28,670	Nil	Nil
Granted during the year	32,923	71,899	46,934	334,880	Nil	709,496
Exercised during the year	23,188	972,681	Nil	2,588	2,681	Nil
Forfeited during the year	4,649	29,471	25,525	7,401	Nil	Nil
Increase in options consequent to issuance of bonus shares as discussed in Note 8 above	1,622,388	Nil	Nil	Nil	Nil	Nil
Options granted outstanding at the end of the year/Period	1,757,587	130,113	1,081,785	1,060,376	706,815	709,496

Of the above grants outstanding, grants vested as on the balance sheet date were

For the half year ended September 30, 2007	For the year ended March 31, 2007	For the half year ended September 30, 2006	For the year ended March 31, 2006	For the year ended March 31, 2005	For the 15 month period ended March 31, 2004
252,811	2,604	937,774	655,787	566,969	445,968

b) During the year 2006-2007 the Company introduced 'OnMobile Employees Stock Option Plan – III 2006' *vide* Board Resolution dated July 24, 2006 and Shareholders Resolution dated July 24, 2006. A total of 61,567 options had been appropriated to be granted to the eligible directors and employees. The options to the directors are to be granted at the discretion of the Board of Directors and the options to the employees are to be granted by compensation committee at the exercise price determined by them respectively. In accordance with the terms of the stock option plans, 25% of such Options granted would vest at the end of twelve (12) months from the date the Optionee becomes an employee/director 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. A total of 61,567 options had been appropriated to be granted to the eligible directors and employees.

Numbers of options granted, exercised and forfeited during the year under the said scheme are given below:

	For the half year ended September 30, 2007	For the year ended March 31, 2007	For the half year ended September 30, 2006	For the year ended March 31, 2006	For the year ended March 31, 2005	For the 15 month period ended March 31, 2004
Options granted outstanding at the beginning of the Period	-	-	-	-	-	-
Granted during the period	59,567	-	-	-	-	-
Exercised during the year	-	-	-	-	-	-

	For the half year ended September 30, 2007	For the year ended March 31, 2007	For the half year ended September 30, 2006	For the year ended March 31, 2006	For the year ended March 31, 2005	For the 15 month period ended March 31, 2004
Forfeited during the year	200	-	-	-	-	-
Increase in options consequent to issuance of bonus shares as discussed in Note 8 above	712,404					
Options granted outstanding at the end of the year	771,771	-	-	-	-	-
Grants outstanding which are vested	40,625					
Options excisable at the year end	-	-	-	-	-	-
Weighted average remaining contractual life (years)at the year end	4.6	-	-	-	-	-
Weighted Average Exercise Price per option(after giving effect to bonus issue)	Rs 252.92	-	-	-	-	-
Range of Exercise price	Rs 210.38 to Rs 261.54	-	-	-	-	-

The Company has accounted the above options using the intrinsic value method and thus, the difference between the fair value of the underlying shares in the year of grant and the options exercise value is charged to the profit and loss account. Accordingly, the compensation charge thereon in the current period is Rs.0.17 Million.

The guidance note issued by the Institute of Chartered Accountants of India requires the disclosure of pro forma net results and EPS both basic & diluted, had the Company adopted the fair value method. Had the Company accounted the option under fair value method, amortising the stock compensation expense thereon over the vesting period, the reported profit for the period ended September 30, 2007 would have been lower by Rs. 11.20 Million and Basic and diluted EPS would have been revised to Rs. 6.59 and Rs. 5.83 respectively as compared to Rs. 6.84 and Rs. 6.05 without such impact.

The fair value of stock based awards to employees is calculated through the use of option pricing models, requiring subjective assumptions which greatly affect the calculated values. The said fair value of the options have been calculated using Black-Scholes option pricing model, considering the expected term of the options to be 4 years, an expected dividend rate of 1% on the underlying equity shares, volatility in the share price of 59% and a risk free rate of 7%. The Company's calculations are based on a single option valuation approach, and forfeitures are recognized as they occur. The expected volatility is based on historical volatility in the comparable industry during the year after eliminating the abnormal fluctuations.

c) During the year 2007-2008 the Company introduced 'OnMobile Employees Stock Option Plan – I and II 2007' *vide* Board Resolution dated July 12, 2007 and Shareholders Resolution dated August 17, 2007 .A total of 975,000 and 5,720 options respectively have been appropriated to be granted to the eligible employees. In accordance with the terms of the stock option plans, 25% of such Options granted would vest at the end of twelve (12) months from the date the Optionee becomes an employee/director 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.

As at September 30, 2007 there are no options granted or outstanding under the said 'OnMobile Employees Stock Option Plan – I and II 2007'.

14. Segment Reporting:

The Company is engaged in providing Software Services globally and is considered to constitute a single segment in the context of AS – 17 on "Segment Reporting" issued by The Institute of Chartered

Accountants of India. Geographical Segment constitutes the Secondary Segment of Company and the secondary segment details are given below.

(Amount in Rs. Million)

Sl No		For the half year ended September 30, 2007	For the year ended March 31, 2007	For the half year ended September 30, 2006	For the year ended March 31, 2006	For the year ended March 31, 2005	For the 15 month period ended March 31, 2004	For the year ended December 31, 2002
	Domestic Income	1084.63	1314.86	555.17	826.17	408.89	172.64	14.05
	Export	40.49	51.97	9.48	-	0.57	-	6.40

Segment assets, segment liabilities and fixed assets used in the company's business have not been identified to any reportable segment as these are used interchangeably between segments and hence segment disclosures related to the total carrying amount of the segment assets, segment liabilities and fixed assets have not been given.

15. Related Parties

I. List of Related parties and relationship:

Sl No	Relationship	For the half year ended September 30, 2007	For the year ended March 31, 2007	For the half year ended September 30, 2006	For the year ended March 31, 2006	For the year ended March 31, 2005	For the 15 month period ended March 31, 2004	For the year ended December 31, 2002
(i)		**Controlling Enterprises**						
	Holding Company	OnMobile Systems Inc., USA	OnMobile Systems Inc., USA	OnMobile Systems Inc., USA	OnMobile Systems Inc., USA	OnMobile Systems Inc.,USA	OnMobile Systems Inc., USA	OnMobile Systems Inc., USA
(ii)		**Other related parties with whom the company had transactions**						
	Key Management Personnel	Arvind Rao Chandramouli Janakiraman	Arvind Rao Chandramouli Janakiraman	Arvind Rao Chandramouli Janakiraman	Arvind Rao Chandramouli Janakiraman	Arvind Rao Chandramouli Janakiraman	Arvind Rao Abraham Mathews Amit Kumar Dey Chandramouli Janakiraman	Arvind Rao Abraham Mathews Amit Kumar Dey Susmita Bhattacharjee Chandramouli Janakiraman

II. Transactions with Related Parties

(Amount in Rs. Million)

		September 30, 2007	March 31, 2007	September 30, 2006	March 31, 2006	March 31, 2005	March 31, 2004	December 31, 2002
1	Income from services							
	OnMobile Systems Inc., USA	-	-	-	-	-	-	6.40
	Total	**-**	**-**	**-**	**-**	**-**	**-**	**6.40**
2	**Remuneration**							
	Abraham Mathews						1.26	0.06
	Amit Kumar Dey						1.57	0.93
	Susmita Bhattacharjee							0.47
	Arvind Rao	4.05	13.85	1.67	-	-	-	-
	Chandramouli Janakiraman	1.75	2.71	0.97	1.95	2.10	1.99	0.21
	Total	**5.80**	**16.56**	**2.64**	**1.95**	**2.10**	**4.82**	**1.67**
3	**Purchase of fixed Assets/other items**							
	OnMobile Systems Inc., USA	-	-	-	-	3.39	98.74	3.88
	Total	**-**	**-**	**-**	**-**	**3.39**	**98.74**	**3.88**
4	**Sale of fixed Assets/other items**							
	OnMobile Systems Inc., USA	-	-	-	-	-	-	4.04
	Total	**-**	**-**	**-**	**-**	**-**	**-**	**4.04**
5	Amount Payable							
	OnMobile Systems Inc.	66.67	73.29	78.84	78.77	87.22	96.48	2.54
	Total	**66.67**	**73.29**	**78.84**	**78.77**	**87.22**	**96.48**	**2.54**
6	Amount Receivable							
	Other Advances							
	Arvind Rao	0.37	2.10	2.96	2.91	2.15	0.93	-
	Chandramouli Janakiraman	-	0.01	0.04	-	-	-	-
	Total	**0.37**	**2.11**	**3.00**	**2.91**	**2.15**	**0.93**	

Notes:

3. Related party relationships are as identified by the company on the basis of information available with them and accepted by the auditors.
4. No amount has been written off or written back during the year in respect of debts due from or to related party.

16. Earnings per Share

The earnings per share, computed as per requirements of Accounting Standard 20 – Earnings per Share, issued by the Institute of Chartered Accountants of India, is as under:

(Amount in Rs. Million except no. of shares)

Particulars	For the half year ended September 30, 2007	For the ear ended March 31, 2007	For the half year ended September 30, 2006	For the year ended March 31, 2006	For the year ended March 31, 2005	For the 15 month period ended March 31, 2004	For the year ended December 31, 2002
Profit after tax as per	305.24	349.44		246.79			

Particulars	For the half year ended September 30, 2007	For the ear ended March 31, 2007	For the half year ended September 30, 2006	For the year ended March 31, 2006	For the year ended March 31, 2005	For the 15 month period ended March 31, 2004	For the year ended December 31, 2002
the Profit & Loss Account			113.01		140.22	43.19	(7.21)
Weighted average number of Shares for Basic EPS	44,593,694	26,634,907	19,307,283	13,000,000	13,000,000	13,000,000	13,000,000
Add: Effect of weighted average no. of Convertible Preference Shares	3,466,724	20,653,464	15,155,782	16,733,457	16,733,457	16,733,457	16,733,457
Add: Effect of Share application Money	-	-	45,630	-	-	-	-
Add: Effect of weighted average no. of options outstanding	2,529,358	1,691,469	14,063,205	13,784,888	9,188,595	9,223,448	-
Less: No. of shares that would have been issued at fair value	159,224	6,063	50,405	9,075,678	9,188,595	9,223,448	-
Weighted Average Number of equity shares for diluted EPS	50,430,551	48,973,777	48,521,495	34,442,667	29,733,457	29,733,457	29,733,457
Nominal value of equity shares	10	10	10	10	10	10	10
Earnings/ (Loss) Per Share:							
Basic (Rs.)	7	13	6	19	11	3	(1)
Diluted (Rs.)	6	7	2	7	5	1	-

NOTE:

a. The convertible preference shares and options are anit-dilutive and are ignored in the calculation of diluted earnings per share for the year ended December 31, 2002.

b. Consequent to issuance of bonus shares as discussed in Note 8 above, the calculation of basic and diluted earnings per share has been adjusted for the increase in the number of Equity Shares outstanding as a result of the issuance of bonus Equity Shares, for all the periods presented.

17. Accounting For Taxes On Income

In accordance with the Accounting Standard 22 – "Accounting for Taxes on Income", issued by the Institute of Chartered Accountants of India, the company has created a deferred tax asset to the extent of Rs.4.41 Million for the current period, which has been credited to the Profit & Loss account. Details of Deferred Tax Asset and Liabilities are:

(Amount in Rs. Million)

Particulars	Opening Balance	Current year (credit)/charge	Closing Balance
Difference between book & tax depreciation	-	8.61	8.61

Particulars	Opening Balance	Current year (credit)/charge	Closing Balance
Others (Provision for gratuity, leave encashment etc.,)	-	(0.55)	(0.55)
Def Tax (Assets)/ Liabilities as on 31.3.2004	-	**8.06**	**8.06**
Difference between book & tax depreciation	8.61	3.16	11.77
Others (Provision for gratuity, leave encashment etc.,)	(0.55)	0.08	(0.47)
Def Tax (Assets)/ Liabilities as on 31.3.2005	**8.06**	**3.24**	**11.30**
Difference between book & tax depreciation	11.77	14.64	26.41
Others (Provision for gratuity, leave encashment etc.,)	(0.47)	(2.56)	(3.03)
Def Tax (Assets)/ Liabilities as on 31.3.2006	**11.30**	**12.08**	**23.38**
Difference between book & tax depreciation	26.41	(0.35)	26.14
Others (Provision for gratuity, leave encashment etc.,)	(3.03)	0.38	(2.65)
Deferred Tax Liability on Itfinity Solutions Private Limited	0.08		
Def Tax (Assets)/ Liabilities as on 30.9.2006	**23.46**	**0.03**	**23.49**
Difference between book & tax depreciation	26.41	7.24	33.73
Others (Provision for gratuity, leave encashment etc.,)	(3.03)	(0.84)	(3.87)
Deferred Tax Liability on Itfinity Solutions Private Limited	0.08		
Def Tax (Assets)/ Liabilities as on 31.3.2007	**23.46**	**6.40**	**29.86**
Difference between book & tax depreciation	33.73	8.28	42.01
Others (Provision for gratuity, leave encashment etc.,)	(3.87)	(16.21)	(20.08)
Def Tax (Assets)/ Liabilities as on 30.9.2007	**29.86**	**(7.93)**	**21.93**

Out of above credit for the current period, Rs. 3.52 Million has been credited to the General reserve on account of transitional provision as per revised AS-15.

In respect of the OnMobile Singapore Pte Ltd, deferred tax assets have not been recognized in respect of items:

Unutilised tax losses : Rs. 1.17 Million

Deferred tax assets in respect of the above items have not been recognized in the financial statements of the Subsidiary as the probability of future taxable profits being available to utilize such benefits cannot be reliably established.

In respect of PT OnMobile Indonesia, no deferred tax was provided since there was no temporary differences noted during the period.

18. The details of Provisions under AS-29 is as under:-

(Amount in Rs Million)

Sl. No.	Nature of Expense	Probable outflow estimated within	Provision outstanding at beginning of the year	Provision made during the year	Provision utilized during the year	Provision reversed during the year	Provision on acquisition of Voxmobili S A	Provision outstanding as at the year end
	Half year Ended September 30, 2007							
1	Other provisions-warranties & customer credits	3 years	34.90	111.29	54.79	-	-	91.40
2	Employee Performance Incentives	1 year	8.83	18.80	4.05	0.35	2.24	25.47
	Year 2006-07							
1	Other provisions-warranties & customer credits	3 years	2.86	79.04	44.15	2.86	-	34.90
2	Employee Performance Incentives	1 year	1.56	8.83	1.32	0.24	-	8.83
	Half year Ended September 30, 2006							
1	Other provisions-warranties & customer credits	3 years	2.86	50.80	12.78	-	-	40.88
2	Employee Performance Incentives	1 year	1.56	6.12	1.32	0.24	-	6.12
	Year 2005-06							
1	Warranty	3 years	2.48	2.86	-	2.48	-	2.86
2	Employee Performance Incentives	1 year	5.18	1.56	5.18	-	-	1.56
	Year 2004-05							
1	Warranty	3 years	4.78	1.88	-	4.18	-	2.48
2	Employee Performance Incentives	1 year	-	5.18	-	-	-	5.18
	Year 2004							
1	Warranty	3 years	0.40	4.38	-	-	-	4.78
2	Employee Performance Incentives	1 year	-	-	-	-	-	-
	Year 2002							
1	Warranty	3 years	-	0.40	-	-	-	0.40
2	Employee Performance Incentives	1 year	-	-	-	-	-	-

19. Disclosure on Derivative Instruments

There are no outstanding, forward exchange contracts entered into by the company as on September 30, 2007.

Foreign Currency exposures that have not been hedged by a derivative instrument or otherwise:

Particulars	Year	Amount (Rs Million)	Amount (Foreign Currency)
Due to:			
Creditors against import of goods and services	September 30, 2007	118.83	USD2.99
	March 31,2007	73.29	USD 1.67
	September 30, 2006	78.84	USD1.71
	March 31,2006	78.77	USD 1.75
	March 31,2005	87.22	USD 1.98
	March 31,2004	96.48	USD 2.20
	December 31, 2002	2.54	USD 0.05
Due from:			
Debtors against export of services/ goods	September 30, 2007	14.46 0.34	USD 0.37 Euro 0.006
	March 31,2007	1.11	USD 0.03
	September 30, 2006	0.17	USD 0.004

20. In respect of VoxMobili SA, research tax rebate accrued as other income during the period amounted to Rs. 0.28 million and total tax rebate receivable outstanding at September 30, 2007 amounted to Rs. 20.70 million.

21. During the period ended March 31, 2004, the company has acquired the Computer Software – MMP 2500 and further certain 'Additional Value Added Applications Software' with all rights including exclusive ownership, copyright, trademark, right to develop, market and license and the source code thereon, from its holding company, for a total consideration of Rs. 96.50 Million based on independent valuations. The above intangibles are amortized over their commercial life, which is estimated to be three years.

22. The figures for period ended September 30, 2007 and 2006 are for half year and March 31, 2004, are for 15 months period, while the figures for other years presented are for 12 months and hence are not comparable. Previous year figure have been regrouped and reclassified to match to the current year groupings/classification.

ONMOBILE GLOBAL LIMITED (formerly ONMOBILE ASIA PACIFIC PRIVATE LIMITED)

Annexure 6 - Restated Schedule of Consolidated Fixed Assets

(Amount in Rs. Million)

	As at September 30, 2007	As at March 31, 2007	As at September 30, 2006	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at December 31, 2002
Gross Block							
Tangible Assets							
Leasehold improvements	14.19	-	-	-	-	-	-
Building	68.39	-	-	-	-	-	-
Office Equipment	3.93	1.75	1.57	1.47	1.45	0.71	0.30
Furniture & Fixtures	3.84	1.17	0.36	-	-	-	-
Computer & Electronic equipment	646.75	421.18	293.77	221.70	83.40	18.24	12.52
Motor Car	11.37	1.27	1.27	-	-	-	-
Total A	**748.47**	**425.37**	**296.97**	**223.17**	**84.85**	**18.95**	**12.82**
Gross Block							

			-		-	-	-	-
Intangible Assets								
Software		183.05	155.27	145.29	132.84	96.49	96.49	-
Intangible Assets		0.20	-	-	-	-	-	-
Total	**B**	**183.25**	**155.27**	**145.29**	**132.84**	**96.49**	**96.49**	**-**
Total (A + B)	**C**	**931.72**	**580.64**	**442.26**	**356.01**	**181.34**	**115.44**	**12.82**
Less:- Accumulated Depreciation / Amortisation	**D**	396.56	289.23	210.63	143.00	57.90	13.11	6.08
Net Block (C-D)	**E**	**535.16**	**291.41**	**231.63**	**213.01**	**123.44**	**102.33**	**6.74**
Capital Work in Progress	**F**	188.90	42.87	10.77	-	5.05	-	-
Total Fixed Assets		**724.06**	**334.28**	**242.40**	**213.01**	**128.49**	**102.33**	**6.74**

ONMOBILE GLOBAL LIMITED (formerly ONMOBILE ASIA PACIFIC PRIVATE LIMITED)

Schedules forming part of the Balance Sheet

Annexure 7 - Restated Schedule of Consolidated Investments

(Amount in Rs. Million except for no. of shares/units)

	As at September 30, 2007	As at March 31, 2007	As at September 30, 2006	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at December 31, 2002
INVESTMENTS							
Short term investments in value- Non Trade (quoted) at lower of cost and market value							
DSP Merril Lynch Floating Rate Fund	-		10.91	20.66	5.12	-	-
Deutche Floating Rate Fund Regular Plan	-	-	-	5.41	5.02	-	-
ABN AMRO Fixed Term Plan	-	257.38	-	-	-	-	-
Kotak Fixed Maturity Plan 3 M Series 8	-	257.44	-	-	-	-	-
Kotak FMP 3M Series 16		-		-	-	-	-
Pru ICICI Fixed Maturity Plan Series 35	-	257.34		-	-	-	-

Pru ICICI Fixed MFCA	-	-	300.05	-	-	-	-
LIC Mutual Fund	-	50.57	150.05	-	-	-	-
Reliance Interval Fund	-	200.81	-	-	-	-	-
In ING Vysya Liquid Fund		-	-			5.08	
Tata Mututal Fund	75.15	-	-				
Reliance Liquidity Fund			150.03				
DSPLI			150.02				
Birla Cash Plus CA 1			150.03				
Birla Cash Plus CA			300.05				
SICAV 3M - SOGEMONEPLUS	14.82						
SOGEMONEVAL	14.61						
	104.58	**1,023.54**	**1,211.14**	**26.07**	**10.14**	**5.08**	**-**
Market Value of short term investments	104.58	1,024.28	1,211.14	26.09	10.15	5.08	-
Short term investments in quantity in mutual funds (no. of units)							
DSP Merril Lynch Floating Rate Fund	-	-	1,093,729	2,060,038	510,384	-	-
Deutche Floating Rate Fund Regular Plan		-		526,656	489,972	-	-
ABN AMRO Fixed Term Plan	-	25,641,719	-	-	-	-	-
Kotak Fixed Maturity Plan 3 M Series 8	-	25,732,171	-	-	-	-	-
Kotak FMP 3M Series 16		-		-	-	-	-
Pru ICICI Fixed Maturity Plan Series 35	-	25,748,988	30,004,763	-	-	-	-
LIC Mutual Fund	-	4,605,177	13,665,549	-	-	-	-
Reliance Interval Fund	-	2,000,000	-	-	-	-	-
In ING Vysya Liquid Fund		-				471,423	
Tata Mututal Fund	7,488,600	-	-				
Reliance Liquidity Fund	-	-	14,997,923				
DSPLI	-	-	149,994				
Birla Cash Plus CA 1	-	-	14,973,473				

Birla Cash Plus CA	-	-	29,946,945				
SICAV 3M - SOGEMONEPLUS	12	-	-	-	-	-	-
SOGEMONEVAL	10	-	-	-	-	-	-

Annexure 7 - Continued

Details of Purchase & Sale during the years

(Amount in Rs. Million except for no. of shares/ units)

Name of the fund	Purchase		Sales (Cost of Sales)	
	No. of Shares / Units	Amount	No. of Shares / Units	Amount
Half Year ended 30 September 2007				
Short Term Investments				
ING Vysya Mutual Fund	40,227,679.40	402.52	40,227,679.40	402.52
Pru ICICI MF	9,504,250.81	100.49	9,504,250.81	100.49
DBS Chola Freedom Income	10,015,293.16	100.15	10,015,293.16	100.15
DWS Credit Opportunities Cash fund	6,013,680.83	60.46	6,013,680.83	60.46
Principal Floating Rate MF	10,058,005.97	100.70	10,058,005.97	100.70
Frankline Templeton	20,045,225.61	201.04	20,045,225.61	201.04
Tata Floater Mutual Fund	33,488,850.25	336.09	26,000,249.84	260.93
Kotak Fixed Maturity Plan 3 M Series 8	639,274.31	6.27	26,371,445.15	263.71
Kotak Fixed Maturity Plan 3 M Series 16	26,425,851.00	264.26	26,425,851.00	264.26
ABN AMRO Fixed Term Plan	752,782.31	7.62	26,394,501.09	265.00
Reliance Interval Fund	367,304.49	3.63	20,367,304.49	204.43
Pru ICICI Fixed Maturity Plan Series 35	134,924.70	1.49	25,883,912.30	258.84
LIC Mutual Fund	1,863.15	0.02	4,607,040.26	50.59
HSBC Liquid Plus Fund	5,205,084.14	52.12	5,205,084.14	52.12
SICAV 3M – SOGEMONEPLUS	12.00	14.64	-	-
SOGEMONEVAL	20.00	6.29	10.00	3.15
Total		**1,657.79**		**2,588.39**
Half Year ended 30 September 2006				
Short Term Investments				
LIC Mutual Fund	13,665,549.72	150.05	-	-
Deutche Floating Rate Fund Regular Plan	-	-	526,656.00	5.42
DSPLI	149,994.23	150.02	-	-
DSPML Floating Rate Fund	27,996.34	0.26	996,889.70	10.00
Birla Cash Plus CA	29,946,945.04	300.05	-	-
Birla Cash Plus CA 1	14,973,472.52	150.03	-	-
Prudential ICICI MFCA	30,004,763.43	300.05	-	-
Reliance Liquidity Fund	14,997,922.54	150.03	-	-
Total		**1,200.49**		**15.42**
Year 2006-07				
Short Term Investments				
LIC Mutual Fund	14,167,931.56	155.57	9,562,754.00	105.00
Reliance Liquidity Fund	15,040,527.32	150.45	15,040,527.32	150.45
Birla Cash Plus	30,270,137.85	303.29	30,270,137.85	303.29
Birla Cash Plus 1	15,016,138.13	150.45	15,016,137.13	150.45
DSP Merril Lynch Floating Rate Fund	150,444.57	150.45	150,444.57	150.45
Prudential ICICI Institutional Liquid Plan	42,255,887.00	422.56	42,255,886.00	422.56
Deutche Floating Rate Fund Regular Plan	-	-	541,543.00	5.41
HSBC Liquid Plus Fund	9,033,444.87	90.42	9,033,445.00	90.42
DSP Floating Rate Fund	55,801.00	0.57	2,115,839.00	21.23

HDFC Liquid Plus Fund	4,444,935.86	45.33	4,444,936.00	45.33
Pru ICICI Fixed Maturity Plan Series 35	25,748,988.00	257.34	Nil	Nil
Kotak Fixed Maturity Plan 3 M Series 8	25,732,171.00	257.44	Nil	Nil
ABN AMRO Fixed Term Plan	25,641,719.00	257.38	Nil	Nil
Reliance Interval Fund	2,000,000.00	200.80	Nil	Nil
Kotak Nifty Debentures			-	1.02
Total		**2,442.05**		**1,445.61**
Year 2005-06				
Short Term Investments				
DSP Merril Lynch Floating Rate Fund	3,544,169.00	35.55	1,994,515.00	20.00
Deutche Floating Rate Fund Regular Plan	4,411,285.00	45.38	4,374,601.00	45.00
Tata Fund Regular Plan	1,990,018.00	20.06	1,990,018.00	20.07
Total		**100.99**		**85.07**
Year 2004-05				
Short Term Investments				
Cholamandalam AMC Ltd	438,011.00	5.01	438,011.00	5.01
Deuteche Insta Cash Plus Fund	495,674.00	5.02	495,674.00	5.02
Deuteche Insta Cash Plus Fund (Daily Dividend Plan)	489,978.00	5.05	489,978.00	5.05
Deutche Floating Rate Fund Regular Plan	1,961,717.00	20.08	1,471,745.00	15.07
DSP Merril Lynch Liquidity Fund	405,040.00	5.03	405,040.00	5.03
DSP Merril Lynch Floating Rate Fund	510,384.00	5.12	-	-
ING Vysya Liquid Fund	7,194.00	0.08	478,617.00	5.15
LICMF Floating Rate Fund	499,610.00	4.99	499,610.00	4.99
LCMF Liquid Fund	1,885,908.00	20.39	1,885,908.00	20.39
Reliance Floating Rate Fund	506,648.00	5.08	506,648.00	5.08
Templeton India Treasury Management Account	4,044.00	5.03	4,044.00	5.03
Sundaram Money Fund	505,373.00	5.07	505,373.00	5.07
Total		**85.95**		**80.89**
Year 2003-04				
Short Term Investments				
Cholamandalam AMC Ltd	884,428.00	10.06	884,428.00	10.06
ING Vysya Liquid Fund	471,423.00	5.08	-	-
Templeton India Treasury Management Account	4,069.00	5.06	4,069.00	5.06
Total		**20.20**		**15.12**

ONMOBILE GLOBAL LIMITED (formerly ONMOBILE ASIA PACIFIC PRIVATE LIMITED)

Schedules forming part of the Balance Sheet

Annexure 8 - Restated Schedule of Consolidated Sundry Debtors

(Amount in Rs. Million)

	As at September 30, 2007	As at March 31, 2007	As at September 30, 2006	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at December 31, 2002
SUNDRY DEBTORS- (Unsecured)							

Debts outstanding for a period exceeding six months							
Considered good	57.95	32.16	33.08	14.27	3.20	0.40	-
Considered doubtful	19.16	2.66	1.20	6.30	-	-	-
Other Debts							
Considered good	596.67	339.32	461.75	326.09	161.88	33.40	5.47
Unbilled Revenue	302.30	167.79	0.91	0.13	-	2.34	-
	976.08	541.93	496.94	346.79	165.08	36.14	5.47
Less: Provision for Doubtful Debts	19.16	2.66	1.20	6.30	-	-	-
	956.92	**539.27**	**495.74**	**340.49**	**165.08**	**36.14**	**5.47**

ONMOBILE GLOBAL LIMITED (formerly ONMOBILE ASIA PACIFIC PRIVATE LIMITED)

Schedules forming part of the Balance Sheet

Annexure 9 - Restated Schedule of Consolidated Cash and Bank Balances

(Amount in Rs. Million)

	As at September 30, 2007	As at March 31, 2007	As at September 30, 2006	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at December 31, 2002
CASH AND BANK BALANCES							
Cash on hand	0.30	0.20	0.28	0.04	0.00	0.00	0.00
Cheques on hand	-	0.18	-	-	-	-	-
Balances with scheduled banks:							
- In current account	147.10	107.77	46.52	34.29	10.60	1.27	5.34
- In deposit account	7.97	103.46	125.44	5.60	31.08	27.98	3.10
	155.37	**211.61**	**172.24**	**39.93**	**41.68**	**29.25**	**8.44**

ONMOBILE GLOBAL LIMITED (formerly ONMOBILE ASIA PACIFIC PRIVATE LIMITED)

Schedules forming part of the Balance Sheet

Annexure 10 - Restated schedule of Consolidated Loans and Advances

(Amount in Rs. Million)

	As at	As at March	As at September	As at March	As at March	As at March	As at

	Septem ber 30, 2007	31, 2007	30, 2006	31, 2006	31, 2005	31, 2004	Decem ber 31, 2002
LOANS AND ADVANCES							
(Unsecured, considered good)							
Advances recoverable in cash or in kind or for value to be received.	86.88	20.65	14.72	15.99	6.24	3.01	0.07
Other Deposits	107.74	51.62	37.80	32.80	3.62	0.75	0.21
Advance income tax & tax deducted at source	536.57	406.49	320.44	187.59	79.07	11.98	0.59
	731.19	**478.76**	**372.96**	**236.38**	**88.93**	**15.74**	**0.87**

ONMOBILE GLOBAL LIMITED (formerly ONMOBILE ASIA PACIFIC PRIVATE LIMITED)

Schedules forming part of the Balance Sheet

Annexure 11 - Restated Schedule of Consolidated Secured Loan

(Amount in Rs. Million)

	As at September 30, 2007	As at March 31, 2007	As at September 30, 2006	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at December 31, 2002
Secured Loan							
Working Capital loan from Kotak Mahindra Bank	300.00	-	-	-	-	-	-
(Hypothecated against all existing and future receivables and movable fixed assets of the Company, rate of interest - PLR less 4.75%, repayable in six equal instalments between 65 to 90 days.)							
	300.00	**-**	**-**	**-**	**-**	**-**	**-**

ONMOBILE GLOBAL LIMITED (formerly ONMOBILE ASIA PACIFIC PRIVATE LIMITED)

Schedules forming part of the Balance Sheet

Annexure 12 - Restated Schedule of Consolidated Current Liabilities and Provisions

(Amount in Rs. Million)

	As at September 30, 2007	As at March 31, 2007	As at September 30, 2006	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at December 31, 2002
CURRENT LIABILITIES &							

PROVISIONS							
Current liabilities:							
Sundry creditors							
- for capital items- due to Holding company	66.67	73.29	78.84	78.78	87.22	96.48	2.54
- for capital items- due to others	113.46	41.98	5.46	21.19	1.68	1.32	-
- for expenses	258.26	129.17	181.16	64.98	18.42	4.90	2.35
Deferred revenue	6.48	1.08	1.56	-	2.86	0.95	-
Credit balance in bank account	-	-	-	-	21.09	1.84	1.02
Other liabilities	128.89	52.12	51.48	4.09	0.39	1.11	0.58
Total Current liabilities	**573.76**	**297.64**	**318.50**	**169.04**	**131.66**	**106.60**	**6.49**
Provisions:							
Income Tax	498.05	376.69	281.73	211.98	89.40	11.30	0.24
Fringe Benefit Tax (Net)	4.13	3.25	1.47	-	-	-	-
Employee Benefits	44.96	10.06	7.29	2.72	1.38	1.54	0.41
Other Provisions	93.50	34.90	40.88	2.86	2.49	4.78	0.41
	640.64	**424.90**	**331.37**	**217.56**	**93.27**	**17.62**	**1.06**
Total	**1,214.40**	**722.54**	**649.87**	**386.60**	**224.93**	**124.22**	**7.55**

ONMOBILE GLOBAL LIMITED (formerly ONMOBILE ASIA PACIFIC PRIVATE LIMITED)

Annexure 13 - Restated Schedule of Consolidated Share Capital

(Amount in Rs. Million except for no. of shares)

	As at September 30, 2007	As at March 31, 2007	As at September 30, 2006	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at December 31, 2002
SHARE CAPITAL							
AUTHORISED							
Equity Shares of Rs. 10 each	745.00	45.00	30.00	30.00	30.00	30.00	30.00
0%, Non-Cumulative Redeemable Preference Shares of Rs. 10 each	-	-	20.00	20.00	20.00	20.00	20.00
Preference Shares of Rs. 10 each	5.00	5.00	-	-	-	-	-
	750.00	50.00	50.00	50.00	50.00	50.00	50.00
ISSUED, SUBSCRIBED AND PAID UP IN VALUE							
Equity Shares of Rs. 10 each, fully paid up	487.93	33.00	23.22	10.00	10.00	10.00	10.00
0%, Non -Cumulative Redeemable Preference	-	-	-	12.87	12.87	12.87	12.87

Shares of Rs. 10 each, fully paid up							
Preference Shares of Rs. 10 each, fully paid up	-	3.54	3.54	-	-	-	-
Share application money pending allotment	-	-	0.04	0.05	0.03	-	-
	487.93	**36.54**	**26.80**	**22.92**	**22.90**	**22.87**	**22.87**
ISSUED, SUBSCRIBED AND PAID UP IN QUANTITY							
Equity Shares of Rs. 10 each	48,792,783	3,300,207	2,322,458	1,000,000	1,000,000	1,000,000	1,000,000
0%, Non-Cumulative Redeemable Preference Shares of Rs. 10 each	-	-	-	1,287,189	1,287,189	1,287,189	1,287,189
Preference Shares of Rs. 10 each	-	353,629	353,629	-	-	-	-
Shares held by Holding Company OnMobile Systems Inc.,							
Equity Shares of Rs. 10 each	29,733,197	2,287,169	2,287,169	999,980	999,980	999,980	999,980
0%, Non-Cumulative Redeemable Preference Shares of Rs. 10 each	-	-	-	1,287,189	1,287,189	1,287,189	1,287,189

Notes:

1 Non-cumulative, Redeemable Preference Shares issued during 2000-01 are not eligible for any dividend and are convertible at the option of the investor at the end of 5 years, from the date of allotment or at the time of an Initial Public Offer, whichever is earlier, into Equity Share Capital. In terms of the issue, during the year, non-cumulative, redeemable preference shares have been converted into equity shares of Rs. 10/- each fully paid up.

2 Preference Shares issued during the year with rights to dividend ranking in pari passu with the Equity Shares being convertible at any time on or before the occurrence of the Initial Public Offer or a liquidity event as defined in the investor agreement .

3 During the period the company has made bonus issue in the ratio of 12:1 to the shareholders by capitalisation of capital redemption reserve and securities premium account.

4 423,722 Equity Shares have been issued to Vox mobili as a part of Purchase consideration (inclusive of 391,128 bonus shares)

ONMOBILE GLOBAL LIMITED (formerly ONMOBILE ASIA PACIFIC PRIVATE LIMITED)

Schedules forming part of Profit & Loss Account

Annnexure 14 - Restated Schedule of Consolidated Other Income

(*Amount in Rs. Million)*

	For the half year ended	For the year ended	For the half year ended	For the year ended	For the year ended	For the period ended	For the year ended

	September 30, 2007	March 31, 2007	September 30, 2006	March 31, 2006	March 31, 2005	March 31, 2004	December 31, 2002
OTHER INCOME							
Interest:							
- from deposits with banks	5.32	7.87	1.62	0.10	0.30	0.21	0.03
- from IT refund	-	-	-	-	-	0.00	-
Profit on sale of Assets	-	-	-	-	-	0.65	-
Accrued yield on investment	29.68	35.07	0.62	0.99	0.98	0.20	-
Profit on redemption of investments	0.14	0.02	0.02	0.00	0.12	0.02	-
Exchange Gain	2.35	1.96	0.25	-	0.02	0.08	0.12
Others	0.43	0.26	0.25	-	-	-	-
	37.92	**45.18**	**2.76**	**1.09**	**1.42**	**1.16**	**0.15**

ONMOBILE GLOBAL LIMITED (formerly ONMOBILE ASIA PACIFIC PRIVATE LIMITED)

Annexure 15

Schedule of Capital Commitments and Contingent Liabilities

(Amount in Rs. Million)

Particulars	For the half year ended September 30, 2007	For the year ended March 31, 2007	For the half year ended September 30, 2006	For the year ended March 31, 2006	For the year ended March 31, 2005	For the 15 month period ended March 31, 2004	For the year ended December 31, 2002
Capital Commitments	135.23	90.15	12.20	-	7.37	-	-

The above does not include any potential customs duty liability arising out of exports obligations to be met. Refer Note B 5 in Annexure 5.

ONMOBILE GLOBAL LIMITED (formerly ONMOBILE ASIA PACIFIC PRIVATE LIMITED)

Annexure 16

Summary of Major Accounting Ratios

(Amount in Rs. Million except for no. of shares)

Particulars	For the half year ended September 30, 2007	For the year ended March 31, 2007	For the half year ended September 30, 2006	For the year ended March 31, 2006	For the year ended March 31, 2005	For the 15 month period ended March 31, 2004	For the year ended December 31, 2002

1	Earnings Per Share							
	Basic	7	13	6	19	11	3	(1)
	Diluted	6	7	2	7	5	1	-
2	Return on Net Worth (%)	14%	21%	8%	55%	71%	75%	-49%
3	Net Asset Value	46	497	608	433	185	45	2
4	Weighted average number of equity shares outstanding ecogn the year	44,593,694	2,048,839	1,485,176	1,000,000	1,000,000	1,000,000	1,000,000
5	Total number of shares outstanding at the end of the year	48,792,783	3,300,207	2,322,458	1,000,000	1,000,000	1,000,000	1,000,000
6	Weighted average number of equity shares outstanding during the year, including adjustment for the increase in such shares as a result of issuance of bonus equity shares, for all the periods presented (Refer Note 11 of Annexure 5)							
	- Basic	44,593,694	26,634,907	19,307,283	13,000,000	13,000,000	13,000,000	13,000,000
	- Diluted	50,430,551	48,973,777	48,521,495	34,442,667	29,733,457	29,733,457	29,733,457

Notes:

1 The ratios have been computed as below:

Earnings Per Share (Rs.)	Net Profit attributable to equity shreholders as restated	
	Weighted average number of equity shares outstanding during the year	
Return on net worth (%)	Net profit after tax as restated	
	Net Worth excluding revaluation reserve at the end of the year	
Net Asset Value per equity shares(Rs.)	Net worth excluding revalutation reserve and preference share capital at the end of the year	
	Number of equity shares outstanding at the end of the year.	

2 Profit and loss as restated has been considered for the purpose of computing the above ratios.

3	Earnings per share is calculated in accordance with Accounting Standard 20 'Earning Per Share', issued by the Institute of Chartered Accountants of India
4	The convertible preference shares are anti-dilutive and are ignored in the calculation of diluted earnings per share for the year December 31, 2002.
5	The Company on August 18,2007, issued 12 equity shares of face value of Rs. 10/- each as bonus shares for every one shares held by the equity shareholders of the Company whose name appear in the register of members as on the record date. The Net Asset Value per equity share as on September 30, 2007 has been calculated after giving effect to the bonus issue.The net asset value per equity shares as on the earlier dates presented above have been calculated considering the number of equity shares outstanding on those dates, respectively, without giving effect for the expanded number of equity shares on account of\ issuance of the said bonus shares.

ONMOBILE GLOBAL LIMITED (formerly ONMOBILE ASIA PACIFIC PRIVATE LIMITED)

Annexure 17

Capitalization Statement of the Group as at September 30, 2007

(Amount in Rs. Million)

Particulars	Pre- Issue as at September 30, 2007	Post-Issue as at September 30, 2007
Total Debt		Will be determinted on finalization of issue price
Short Term Debt	300	
Long Term Debt	-	
Total	300	
Total Shareholders Fund		
Share Capital	487.93	
Securities Premium	705.60	
Profit and Loss Account	1,026.57	
Total	**2,220.10**	
Total Capitalization	**2,220.10**	
Long Term Debt to Total Shareholders' Funds	-	

Notes:

1 *The above has been computed on the basis of restated statement of accounts.*

2 *Short Term Debts are debts maturing within next one year from the date of the respective statement of accounts.*

3 *The above ratio has been computed on the basis of total long term debt divided by shareholder's funds.*

ONMOBILE GLOBAL LIMITED (formerly ONMOBILE ASIA PACIFIC PRIVATE LIMITED)

Annexure 18

Related Party Transactions

Sl No	Relationship	30-Sep-07	31-Mar-07	30-Sep-06	31-Mar-06	31-Mar-05	31-Mar-04	31-Dec-02
(i)	**Controlling Enterprises**							
	Holding Company	OnMobile Systems Inc., USA	OnMobile Systems Inc., USA	OnMobile Systems Inc., USA		OnMobile Systems Inc., USA	OnMobile Systems Inc., USA	OnMobile Systems Inc., USA
(ii)	**Other related parties with whom the company had transactions**							
	Key Management Personnel	Arvind Rao	Arvind Rao	Arvind Rao	Arvind Rao	Arvind Rao	Arvind Rao	Arvind Rao
		Chandramouli Janakiraman	Chandramouli Janakiraman	Chandramouli Janakiraman		Chandramouli Janakiraman	Abraham Mathews	Abraham Mathews
							Amit Kumar Dey	Amit Kumar Dey
							Chandramouli Janakiraman	Susmita Bhattacharjee
								Chandramouli Janakiraman

ONMOBILE GLOBAL LIMITED (formerly ONMOBILE ASIA PACIFIC PRIVATE LIMITED)

Annexure 18 – Continued

Related Party Transactions

(Amount in Rs. Million)

		30-Sep-07	31-Mar-07	30-Sep-06	31-Mar-06	31-Mar-05	31-Mar-04	31-Dec-02
1	**Income from services**							
	OnMobile Systems Inc., USA							6.40
	Total		**-**		**-**	**-**	**-**	**6.40**
2	**Remuneration**							
	Abraham Mathews	-	-	-	-	-	1.26	0.06
	Amit Kumar Dey	-	-	-	-	-	1.57	0.93
	Susmita Bhattacharjee	-	-	-	-	-	-	0.47
	Arvind Rao	4.05	13.85	1.67		-	-	-
	Chandramouli Janakiraman	1.75	2.71	0.98	1.95	2.10	1.99	0.21
	Total	**5.81**	**16.57**	**2.65**	**1.95**	**2.10**	**4.82**	**1.67**
3	**Purchase of fixed Assets/other items**							

	OnMobile Systems Inc., USA	-	-	-	-	3.39	98.74	3.88
	Total	**-**	**-**	**-**	**-**	**3.39**	**98.74**	**3.88**
4	**Sale of fixed Assets/other items**							
	OnMobile Systems Inc., USA	-	-	-	-	-	-	4.04
	Total	**-**	**-**	**-**	**-**	**-**	**-**	**4.04**
5	**Amount Payable**							
	OnMobile Systems Inc.	66.67	73.29	78.84	78.77	87.22	96.48	2.54
	Total	**66.67**	**73.29**	**78.84**	**78.77**	**87.22**	**96.48**	**2.54**
6	**Amount Receivable**							
	Other Advances							
	Arvind Rao	0.38	2.10	2.96	2.91	2.15	0.93	
	Chandramouli Janakiraman		0.01	0.04				
	Total	**0.38**	**2.11**	**3.00**	**2.91**	**2.15**	**0.93**	**-**

Notes:

1. Related party relationships are as identified by the company on the basis of information available with them and accepted by the auditors.

2. No amount has been written off or written back during the year in respect of debts due from or to related party.

UNCONSOLIDATED FINANCIAL INFORMATION OF ONMOBILE GLOBAL LIMITED

The Board of Directors
OnMobile Global Limited
Bangalore

Dear Sirs,

Re: Public issue of Equity Shares of OnMobile Global Limited (formerly OnMobile Asia Pacific Private Limited)

We have examined the financial information of OnMobile Global Limited (formerly OnMobile Asia Pacific Private Limited) ('the Company'), annexed to this report for the purpose of inclusion in the Prospectus and initialed by us for identification. The financial information has been prepared by the Company and approved by the Board of Directors which has been prepared in accordance with:

a) paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ('the Act');

b) Securities and Exchange Board of India – Disclosure and Investor Protection Guidelines, 2000 ('the Guidelines') issued by the Securities and Exchange Board of India ('SEBI') pursuant to Section 11 of the Securities and Exchange Board of India Act, 1992; and related clarification;

c) the terms of reference received from the Company requesting us to carry out work in connection with the offer document being issued by the Company in connection with its Proposed Initial Public Offer ('IPO') of Equity Shares.

Financial Information as per the Audited Financial Statements

1. We have examined the attached 'Restated Summary Statement of Assets and Liabilities' of the Company as at December 31, 2002; March 31, 2004, 2005, 2006, September 30, 2006, March 31, 2007, and September 30, 2007 (Annexure 1), the attached 'Restated Summary Statement of Profits and Losses' for the year ended December 31, 2002, 15 months period ended March 31, 2004, each of the years ended March 31, 2005, 2006, six months period ended September 30, 2006, year ended March 31, 2007 and six months period ended September 30, 2007 (Annexure 2) and the attached 'Restated Cash Flow Statement' for the year ended December 31, 2002, 15 months period ended March 31, 2004, each of the years ended March 31, 2005, 2006, six months period ended September 30, 2006, year ended March 31, 2007 and six months period ended September 30, 2007 (Annexure 3), together referred to as 'Restated Summary Statements'. These Restated Summary Statements have been extracted from the financial statements of the year ended December 31, 2002; 15 months period ended March 31, 2004, years ended March 31, 2005, 2006, six months period ended September 30, 2006, year ended March 31, 2007 and six months period ended September 30, 2007 adopted by the Board of Directors for those respective years and have been audited by us.

   Based on our examination of these Restated Summary Statements, we state that:

   a) Annexure 1 contains the Restated Summary Statement of Assets and Liabilities of the Company as at December 31, 2002; March 31, 2004, 2005, 2006 September 30, 2006, March 31, 2007 and September 30, 2007;

   b) Annexure 2 contains the Restated Summary Statement of Profits and Losses of the Company for the year ended December 31, 2002; 15 months period ended March 31, 2004, each of the years ended March 31, 2005, 2006, six months period ended September 30, 2006, year ended March 31,2007 and six months period ended September 30, 2007;

   c) Annexure 3 contains the Restated Cash Flow Statement for the year ended December 31, 2002; 15 months period ended March 31, 2004, each of the years ended March 31, 2005, 2006, Six months period ended September 30, 2006, year ended March 31, 2007 and six months period ended September 30, 2007;

d) Annexure 4 contains the Notes on adjustments made in the Restated Summary Statements, which have been restated with retrospective effect to reflect the significant accounting policies being adopted by the Company as at September 30, 2007; and

e) Annexure 5 contains Summary of Significant Accounting Policies and Notes.

Other Financial Information

2. We have examined the following information as at and for the years ended December 31, 2002; 15 months period ended March 31, 2004, each of the years ended March 31, 2005, 2006, six months period ended September 30, 2006, year ended March 31, 2007 and six months period ended September 30, 2007 of the Company, proposed to be included in the RHP, as approved by the Board of Directors and annexed to this report:

   a) Annexure 6 contains Restated Schedule of Fixed Assets;

   b) Annexure 7 contains Restated Schedule of Investments;

   c) Annexure 8 contains Restated Schedule of Sundry Debtors;

   d) Annexure 9 contains Restated Schedule of Cash & Bank Balances;

   e) Annexure 10 contains Restated Schedule of Loans and Advances;

   f) Annexure 11 contains Restated Secured Loans;

   g) Annexure 12 contains Restated Schedule of Current Liabilities and Provisions;

   h) Annexure 13 contains Restated Schedule of Share Capital;

   i) Annexure 14 contains Restated Schedule of Other Income;

   j) Annexure 15 contains Restated Schedule of Contingent Liabilities and Capital Commitments.

   k) Annexure 16 contains Restated Summary of Major Accounting Ratios;

   l) Annexure 17 contains Related Party Disclosure and

   m) Annexure 18 contains Restated Statement of Tax Shelter;

3. We have examined the Capitalisation Statement as at September 30, 2007 included in Annexure 19.

4. The Company has not paid any dividend to its shareholders in the past. The interim dividend reflected in the financial statements for the year ended March 31, 2007 pertains to dividend paid by the acquired entity Itfinity Solutions Private Limited to its erstwhile shareholders prior to its acquisition by the Company but after the appointment date as per the Scheme of amalgamation.

5. In our opinion, the 'Financial Information as per Audited Financial Statements' and 'Other Financial Information' mentioned above as at and for the years ended December 31, 2002; 15 months period ended March 31, 2004, each of the years ended March 31, 2005, 2006, six months period ended September 30, 2006, year ended March 31, 2007 and six months period ended September 30, 2007 have been prepared in accordance with Part II of schedule II of the Act and the Guidelines.

This report neither should in any way be not construed as a reissuance or redating of any of the previous audit reports nor should this be construed as a new opinion on any of the Financial Statements referred to herein.

This report is intended solely for your information and for inclusion in RHP in connection with the proposed IPO of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Deloitte Haskins & Sells
Chartered Accountants

V. Srikumar
Partner
Membership No.: 84494

Bangalore
January 31, 2008

ONMOBILE GLOBAL LIMITED

(formerly OnMobile Asia Pacific Private Limited)

Annexure 1 – Restated Summary Statement of Assets and Liabilities

(Amount in Rs. Million)

		As at Sep 30, 2007	As at March 31, 2007	As at Sep 30, 2006	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at December 31, 2002
FIXED ASSETS								
Gross Block		900.04	572.15	442.23	355.98	181.34	115.44	12.82
Less: Accumulated depreciation		386.46	288.68	210.62	142.99	57.90	13.11	6.08
Net Block		513.58	283.47	231.61	212.99	123.44	102.33	6.74
Capital Work in Progress		188.90	42.87	10.77	-	5.05	-	-
Total	**A**	**702.48**	**326.34**	**242.38**	**212.99**	**128.49**	**102.33**	**6.74**
INVESTMENTS	**B**	**1,516.04**	**1,029.24**	**1,216.85**	**31.69**	**10.42**	**5.08**	**-**
CURRENT ASSETS, LOANS AND ADVANCES								
Inventory		-	-	-	-	-	1.58	0.68
Sundry debtors		836.54	543.46	497.26	341.12	165.07	36.14	5.47
Cash and bank balances		129.34	205.38	167.40	35.70	41.23	29.25	8.44
Loans and advances		713.39	479.96	374.23	237.48	90.22	15.74	0.87
Total	**C**	**1,679.27**	**1,228.80**	**1,038.89**	**614.30**	**296.52**	**82.71**	**15.46**
Total (A+B+C)	**D**	**3,897.79**	**2,584.38**	**2,498.12**	**858.98**	**435.43**	**190.12**	**22.20**
Deferred tax liability (net)	**E**	**21.93**	**29.86**	**23.49**	**23.38**	**11.30**	**8.06**	**-**
LIABILITIES AND PROVISIONS								
Secured Loans		300.00	-	-	-	-	-	-
UnSecured Loans		-	-	-	-	-	-	-
Current Liabilities & Provision		1,149.26	718.57	651.63	387.75	224.87	124.22	7.55
Total	**F**	**1,449.26**	**718.57**	**651.63**	**387.75**	**224.87**	**124.22**	**7.55**
Due to Erstwhile Shareholders of ITFINITY SOLUTIONS (P) LTD.	**G**	-	191.66	405.14	-	-	-	-
Deferred Payment Liability	**H**	253.65	-	-	-	-	-	-
Stock options outstanding account	**I**	0.63	-	-	-	-	-	-
Net Worth(D-E-F-G-H-I)	**J**	**2,172.32**	**1,644.29**	**1,417.86**	**447.85**	**199.26**	**57.84**	**14.65**
Net Worth represented by								

Share capital	487.93	36.54	26.80	22.87	22.87	22.87	22.87
Share application money pending allotment	-	-	-	0.05	0.03	-	-
Reserves & surplus	1,684.39	1,607.75	1,391.06	424.93	176.36	34.97	(8.22)
Total	**2,172.32**	**1,644.29**	**1,417.86**	**447.85**	**199.26**	**57.84**	**14.65**

ONMOBILE GLOBAL LIMITED

(formerly OnMobile Asia Pacific Private Limited)

Annexure–2 - Restated Summary Statement of Profits and Losses

(Amount in Rs. Million)

	For the half year ended Sep 30, 2007	For the year ended March 31, 2007	For the half year ended Sep 30, 2006	For the year ended March 31, 2006	For the year ended March 31, 2005	For the 15 month period ended March 31, 2004	For the year ended December 31, 2002
INCOME							
Telecom Value Added Services							
- Domestic	1,009.02	1,252.22	524.67	782.93	387.76	118.65	14.05
- Export	34.81	53.22	4.84	0.51	0.57	-	6.40
Software development							
- Domestic	9.80	8.52	2.10	-	-	-	-
- Export	2.71	15.18	9.48	-	-	-	-
Software Licence Fee	-	13.50	4.50	27.00	14.06	50.75	-
Other Services	3.94	23.12	19.55	14.37	7.07	3.24	-
Other income	35.94	44.40	2.52	1.19	1.40	1.17	0.15
Net Income	**1,096.22**	**1,410.16**	**567.66**	**826.00**	**410.86**	**173.81**	**20.60**
EXPENDITURE							
Cost of Sales & Services	160.47	237.67	100.44	122.59	59.16	49.37	6.55
Manpower costs	247.03	266.36	112.22	103.71	45.68	35.76	12.44
Administration and other expenses	216.50	237.03	111.06	126.85	38.51	17.61	4.64
Total Operating Expenses	**624.00**	**741.06**	**323.72**	**353.15**	**143.35**	**102.74**	**23.63**
Earnings before Interest, Tax and Depreciation	**472.22**	**669.10**	**243.94**	**472.85**	**267.51**	**71.07**	**(3.03)**
Depreciation	97.78	143.49	65.43	85.10	44.78	8.52	4.00
Earnings before Interest and Tax	**374.44**	**525.61**	**178.51**	**387.75**	**222.73**	**62.55**	**(7.03)**
Finance charges	2.09	0.16	-	-	-	-	-
Earnings before Tax	**372.35**	**525.45**	**178.51**	**387.75**	**222.73**	**62.55**	**(7.03)**

Provision for taxation							
- current tax	114.80	165.05	64.08	124.90	78.10	11.30	0.14
- deferred tax	(4.41)	6.40	0.03	12.08	3.24	8.06	0.04
- fringe benefit tax	5.38	5.63	1.47	3.20	-	-	-
Earnings after Tax	**256.58**	**348.37**	**112.93**	**247.57**	**141.39**	**43.19**	**(7.21)**

ONMOBILE GLOBAL LIMITED
(formerly OnMobile Asia Pacific Private Limited)

Annexure–2 - Restated Summary Statement of Profits and Losses (Contd.)

(Amount in Rs. Million)

	For the half year ended Sep 30, 2007	For the year ended March 31, 2007	For the half year ended Sep 30, 2006	For the year ended March 31, 2006	For the year ended March 31, 2005	For the 15 month period ended March 31, 2004	For the year ended December 31, 2002
Balance brought forward from previous year	729.30	423.93	423.93	176.36	34.97	(8.22)	(1.01)
Provision for Leave Encashment (Refer Note 12 II (a) in Annexure 5)	(7.00)	-	-	-	-	-	-
Transfer to Capital Redemption Reserve (Refer Note 7 (b) in Annexure 5)	(0.09)	-	-	-	-	-	-
Interim dividend (Refer Note 11 in Annexure 5)	-	(37.71)	-	-	-	-	-
Dividend distribution tax	-	(5.29)	-	-	-	-	-
Balance carried forward to Balance sheet	**978.79**	**729.30**	**536.86**	**423.93**	**176.36**	**34.97**	**(8.22)**
No. of Equity Shares of 10 each outstanding	**48,792,783**	**3,300,207**	**2,322,458**	**1,000,000**	**1,000,000**	**1,000,000**	**1,000,000**
Weighted average no. of Equity Shares of 10 each outstanding							
- Basic	**44,593,694**	**26,634,907**	**19,307,283**	**13,000,000**	**13,000,000**	**13,000,000**	**13,000,000**

- Diluted	**50,430,551**	**48,973,777**	**48,521,495**	**34,442,667**	**29,733,457**	**29,733,457**	**29,733,457**
Earnings/ (Loss) Per Share (Rs.)							
- Basic	**6**	**13**	**6**	**19**	**11**	**3**	**(1)**
- Diluted	**5**	**7**	**2**	**7**	**5**	**1**	**-**

Notes:

1. Earnings per share is calculated in accordance with Accounting Standard 20 'Earning Per Share', issued by the Institute of Chartered Accountants of India.

2. The convertible preference shares are anit-dilutive and are ignored in the calculation of diluted earnings per share for the year ended December 31, 2002.

3. In the Annual General Meeting held on August 17, 2007, the shareholders have consented for issuance of 12 equity shares of face value of Rs. 10/- each as bonus shares for every one share held by the equity shareholders of the Company whose name appear in the register of members as on the record date, by capitalization of Capital Redemptions Reserve and Securities Premium Account. Subsequently, the Board of Directors vide their circular resolution on August 18, 2007 have allotted the said bonus shares. Consequently, the calculation of basic and diluted earnings per share has been adjusted for the increase in number of equity shares outstanding as a result of the issuance of bonus equity shares, for all the periods presented.

ONMOBILE GLOBAL LIMITED

(formerly OnMobile Asia Pacific Private Limited)

Annexure–3 - Restated Cash Flow Statement

(Amount in Rs. Million)

		For the half year ended Sep 30, 2007	**For the year ended March 31, 2007**	**For the half year ended Sep 30, 2006**	**For the year ended March 31, 2006**	**For the year ended March 31, 2005**	**For the 15 month period ended March 31, 2004**	**For the year ended December 31, 2002**
A	**Cash flow from operating activities**							
	Earnings before taxation	**372.35**	**525.45**	**178.51**	**387.75**	**222.73**	**62.55**	**(7.03)**
	Depreciation and amortisation	97.77	143.50	65.44	85.10	44.78	8.52	4.00
	Interest income	(5.26)	(7.85)	(1.61)	(0.20)	(0.30)	(0.22)	(0.03)
	Yield on investments	(29.66)	(35.07)	(0.62)	(0.99)	(0.99)	(0.20)	-
	Loss/(Profit) on sale of assets	-	0.01	0.02	-	-	(0.65)	-
	Profit	(0.14)	(0.02)	(0.02)				-

on redemption of investments						(0.00)		(0.12)		(0.02)			
Unrealised foreign exchange (Gain) / loss	(6.28)		(1.75)		(2.46)	1.91		0.42		-		-	
Finance Charges	2.09	58.52	0.16	98.97	-	60.75	-	85.82	-	43.80	-	7.43	-	3.97
Changes in current assets and liabilities													
Inventory	-					-		1.58		(0.90)		(0.68)	
Sundry debtors	(293.30)		(187.48)		(141.12)	(176.40)		(128.95)		(30.67)		3.81	
Loans and advances	(96.67)		(21.76)		(1.97)	(33.69)		(7.45)		(3.48)		0.18	
Current liabilities and provisions	294.44	(95.53)	155.89	(53.35)	105.76	(37.33)	38.67	(171.42)	22.22	(112.60)	105.61	70.57	5.72	9.03
Net cash generated from operations		**335.34**		**571.08**		**201.93**		**302.15**		**153.93**		**140.55**		**5.97**
Income taxes including FBT paid during the year		(128.37)		(215.34)		(126.82)		(112.99)		(67.09)		(11.64)		(0.46)
Net cash generated from operating activities (a)		**206.97**		**355.74**		**75.11**		**189.16**		**86.84**		**128.91**		**5.51**

B	**Cash flow from investing activities**												
	Purchase of fixed assets and change in capital work-in-progress	(473.92)		(255.69)		(93.67)		(174.64)		(70.95)		(104.68)	(2.84)
	Proceeds from sale of fixed assets	-		0.03		0.02		-		-		1.23	4.51
	Investment in subsidiaries	(1,057.64)		(195.07)		-		(5.34)		(0.28)		-	-
	Sale/ (Investment) in securities	948.53		(996.43)		(1,184.03)		(15.93)		(4.95)		(5.06)	-
	Interest income	5.26		36.21		1.61		0.20		0.30		0.22	0.03
	Yield on investments	29.66	(548.11)	6.71	(1,404.24)	0.62	(1,275.45)	1.00	(194.72)	0.99	(74.89)	0.20	(108.10)	-	1.70
	Net cash used in investing activities (b)		**(548.11)**		**(1,404.24)**		**(1,275.45)**		**(194.72)**		**(74.89)**		**(108.10)**		**1.70**

ONMOBILE GLOBAL LIMITED

(formerly OnMobile Asia Pacific Private Limited)

(Amount in Rs. Million)

Annexure–3 - Restated Cash Flow Statement (Contd.)

		For the half year ended Sep 30, 2007	For the year ended March 31, 2007	For the half year ended Sep 30, 2006	For the year ended March 31, 2006	For the year ended March 31, 2005	For the 15 month period ended March 31, 2004	For the year ended December 31, 2002
C	**Cash flow**							

from Financing activities												
Proceeds from issuance of share capital net of share issue expense of Rs.80,396,948/- for the year 2006-07	0.23		1,225.27		1,295.97		0.03		0.03		-	-
Redemption of preference shares	(33.04)		-		-		-		-		-	-
Proceeds from Short term Borrowings	300.00		-		-		-		-		-	-
Finance charges	(2.09)		(0.16)		-		-		-		-	-
Dividends paid during the year	-		(37.71)		-		-		-		-	-
Dividend tax paid during the year	-	265.10	(5.29)	1,182.11	-	1,295.97	-	0.03	-	0.03	-	-
Net cash used in financing activities (c)		**265.10**		**1,182.11**		**1,295.97**		**0.03**		**0.03**	**-**	**-**
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS (a + b + c)		**(76.04)**		**133.61**		**95.63**		**(5.53)**		**11.98**	**20.81**	**7.21**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**205.38**		**35.70**		**35.70**		**41.23**		**29.25**	**8.44**	**1.23**
CASH AND CASH EQUIVALENTS OF ITFINTY SOLUTIONS PVT LTD AT THE BEGINNING OF THE YEAR		**-**		**36.07**		**36.07**		**-**		**-**	**-**	**-**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**129.34**		**205.38**		**167.40**		**35.70**		**41.23**	**29.25**	**8.44**

ONMOBILE GLOBAL LIMITED

(formerly OnMobile Asia Pacific Private Limited)

Annexure–4 - A. Summary of adjustment on account of change in accounting policies, prior period items and material items

Particulars	For the half year ended September 30,2007	For the Year ended March 31, 2007	For the half year ended September 30,2006	For the Year ended March 31, 2006	For the Year ended March 31, 2005	For the 15 month period ended March 31, 2004	For the Year ended December 31, 2002
Profit/(Loss) as per audited accounts	249.68	330.37	112.93	248.57	141.23	43.08	(7.59)
Net Impact on amalgamation	-	23.90	-	-	-	-	-
Impact on changes in accounting policies							
Miscellaneous Expenditure	-	-	-	-	0.16	0.27	0.22
Impact on material adjustment and prior period items							
Prior period adjustment	6.90	(5.90)	-	(1.00)	-	-	-
Excess Provision Written back	-	-	-	-	-	(0.16)	0.16
Adjusted Profit/(loss) Account	256.58	348.37	112.93	247.57	141.39	43.19	(7.21)

Explanatory Notes for these adjustments are discussed below:

Miscellaneous Expenditure:- Until the financial year ended December 31, 2000, the Company had incurred certain 'preliminary expenditure', which was being amortized over a period of five years in line with the then AccountingStandard. As Accounting Standard 26 on 'Intangible Assets', was made mandatory for the accounting period commencing on or after April 1, 2003 the Company changed its policy to charge such expenses to the profit & loss account in the year in which they were incurred.

Accordingly the carrying amount of preliminary expenditure forming part of the Balance Sheets as at December 31, 2002, March 31, 2004 and March 31, 2005 which were not recognised in the Profit & Loss account have now been restated and recognised in the year to which it relates.

Excess Provision Written Back:- Excess provision written back in the profit and loss account pertaining to earlier financial years has now been restated and recognized as income in the respective years to which they were related.

Prior period adjustment: Prior period adjustments relating to income tax disclosed in the Profit and Loss account have now been restated and charged to the respective year to which they were related.

Net impact on amalgamation of Itfinity Solutions Private Limited is towards profit for the year 2006-07 giving effect to the scheme of amalgamation from appointed date viz April 1, 2006.

Unadjusted Regrouping:-

Retirement Benefits:- Accounting Standard 15 (Revised 2005) on 'Employee Benefits' was applicable from April 1, 2006. Accordingly the liability for employee benefits has been calculated and recognized as per the revised Accounting Standard - 15 for the half year ended September 30, 2007. The additional provision for the earlier years has been adjusted against the opening

reserves.

Annexure 5 - Significant Accounting Policies and Notes on Accounts (Contd.)

A Significant accounting policies

1. Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention on the accrual basis of accounting, in accordance with Indian Generally Accepted Accounting Principles ("**GAAP**"). GAAP comprises mandatory accounting standards issued by the Institute of Chartered Accountants of India ("**ICAI**") and the provisions of the Companies Act, 1956.

The management evaluates all recently issued or revised accounting standards on an ongoing basis.

2. Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Examples of such estimates includes provision for doubtful debts, future obligations under employee benefit plans, income taxes and the useful lives of fixed assets. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reliably estimated. When no reliable estimate can be made, a disclosure is made as contingent liability.

Actual results could differ from those estimates.

3. Revenue Recognition

Revenue from Telecom Value Added Services including royalty income, net of customer credits, is recognized on provision of services in terms of revenue sharing arrangements with the telecom operators.

Revenue from sale of user licences for software applications 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.

Yield on investment is recognized on an accrual basis. Profit on sale of investments is recorded on transfer of title from the Company and is determined as the difference between the sales price and the then carrying value of the investment.

4. Fixed assets

Fixed assets are stated at cost of acquisition including taxes, duties, freight and other incidental expenses relating to acquisition and installation.

Capital work in progress is stated at cost and includes advances paid to acquire fixed assets and the cost of fixed assets that are not ready for their intended use at the balance sheet date.

5. Depreciation

Depreciation on assets is provided using the straight-line method based on useful /commercial lives of these assets as estimated by the Management.

The useful / commercial lives is as follows:

Category of Asset	No. of years
Leasehold Improvements	primary lease period
Building	61 years
Office equipment	3 years
Furniture & Fixtures	3 years
Computers & Electronic equipment	3 years
Computer Software	3 years
Motor Car	3 years

Individual assets costing less than Rs.5,000/- are depreciated in full in the year of purchase. The depreciation rates adopted are higher than the rates specified in Schedule XIV of the Companies Act, 1956.

6. Investments

Short term investments are stated at lower of cost or market value and includes yield accrued.

Long term investments are stated at cost. Provision is made for any diminution in value of long term investment and other than that of a temporary nature.

7. Foreign currency transactions

Transactions in foreign currencies are translated at the exchange rate prevailing on the date of the transaction. Monetary assets and Monetary liabilities denominated in foreign currencies are translated at the exchange rate prevalent at the date of the Balance sheet. Exchange differences arising on foreign currency translations are recognized as income or expense in the year in which they arise.

8. Employee Benefits

d) Defined Contribution Plan
Company's contributions paid / payable during the year to Provident Fund are recognised in the Profit and Loss Account

e) Defined Benefit Plan
Liabilities for gratuity funded in terms of a scheme administered by the Life Insurance Corporation of India, are determined by 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 gain and losses are recognized immediately in the statement of Profit and Loss Account as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

f) Liability for Leave Encashment is provided based on accumulated leave credit outstanding to the employees as on the date of balance sheet.

9. Employee Stock Option Plan

The Company has formulated 5 Employee Stock Option Plans ("**ESOP**") - OnMobile Employees Stock Option Plan – I 2003, OnMobile Employees Stock Option Plan – II 2003 and OnMobile Employees Stock Option Plan – III 2006, OnMobile Employees Stock Option Plan – I 2007 and OnMobile Employees Stock Option Plan – II 2007 .

The Company not being a listed Company is not governed by SEBI (Employee Stock Option Scheme & Employee Stock Purchase Plan) Guidelines 1999. Further, the Company has obtained legal opinion that the guidance note on Accounting for Employees Share based payments are not applicable to OnMobile ESOP – I 2003 and II 2003. Options granted in terms of OnMobile Employee Stock Option Plan – III 2006, OnMobile Employees Stock Option Plan – I 2007 and OnMobile Employees Stock Option Plan – II 2007 to which the said guidance note is applicable, are accounted under intrinsic value method and accordingly, the difference between the fair value of the underlying shares and the exercise price, if any, is expensed as to profit and loss account over the period of vesting.

10. Leases

Leases arrangements, where the risks and rewards incident to ownership of an asset substantially vest with the lessor, are classified as operating leases and the lease rentals thereon are charged to the Profit & Loss account on accrual basis. Assets acquired under finance lease arrangements are recognised as an asset and a liability is set up at the inception of the lease, at an amount equal to lower of the fair value of the leased assets or the present value of the future minimum lease payments.

11. Income Tax

Income tax comprises the current tax provision, net change in deferred tax asset or liability in the year and fringe benefit 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 31st March each year.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between carrying values of the assets and liabilities and their respective tax bases and are measured using enacted tax rates applicable on the Balance sheet date. Deferred Tax assets are recognized subject to management's judgement that realization is virtually certain.

The effect of changes in tax rates on deferred tax assets and liabilities is recognized in the income statement in the period of enactment of change.

Fringe benefit tax is provided as per provisions of the Income Tax Act, 1961.

12. Cash flow Statement

Cash Flow Statement has been prepared in accordance with the indirect method prescribed in Accounting Standard 3 issued by the Institute of Chartered Accountants of India. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

13. Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value. A previously recognized impairment loss is further provided or reversed depending on changes in circumstances.

14. Earning per Share

In determining the earning per share, the Company considers the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earning per share comprises the weighted average shares considered for deriving basic earning per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date.

15. Provisions and Contingencies

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

Provision for warranty is based on past technical experience.

B Notes on Accounts

1. The financial statements for the half years ended September 30, 2007 & 2006 and year ended March 31, 2007 are prepared after giving effect to the amalgamation of ITfinity Solutions Private Limited with the Company from the appointed date viz., April 1, 2006, in terms of the Scheme of Amalgamation sanctioned by the Honorable High Court of Karnataka, Bangalore and the High Court of Judicature at Bombay vide their orders dated March 27, 2007 and April 21, 2007 respectively. The Scheme came into effect on May 14, 2007 and pursuant thereto all assets and debts, outstanding, credits, liabilities, benefits under income tax, excise, sales tax (including deferment of sales tax) benefits for and under STPI registrations, duties and obligations have been transferred to and vested in the Company retrospectively with effect from April 1, 2006.

2. Notes given below are extracted from the audited financials statements including disclosures relating to accounting standards applicable to the company in those respective years.

3. The name of the Company was changed to "OnMobile Global Limited" from "OnMobile Asia Pacific Private Limited" with effect from August 21, 2007.

The name of the company was changed to "OnMobile Asia Pacific Private Limited" from "Onscan Technologies India Private Limited" with effect from April 10, 2001.

4. Capital commitment (net of advances) as at the year end:

(Amount in Rs. Million)

September 30, 2007	March 31, 2007	September 30, 2006	March 31, 2006	March 31, 2005	March 31, 2004	December 31, 2002
135.23	90.15	12.20	Nil	7.37	Nil	Nil

5. During the year 2005-06 the Company has been named as one of the 18 defendants in a civil dispute for injunction pending adjudication. However in the opinion of the management no liability would arise in this regard.

6. The Company has imported certain plant & machinery including on loan basis, at concessional/nil rate of duty under Software Technology Park of India Scheme with an obligation to export software of a specified value by March 31, 2008. As at September 30, 2007 there is a shortfall in meeting the export obligation amounting to Rs. 93.90 Million. The Company is contingently liable for customs duty amounting to Rs. 11.84 Million interest thereon and penalty of the equivalent amount against export obligations to be met. The Company has provided bank guarantee of Rs. 0.48 Million (net of margin money deposit) in respect of the same.

7. **Amalgamation with ITfinity Solutions Pvt Ltd.**

b) During December 2006, the Company acquired the 51% of share capital of ITFINITY Solutions Private Limited ('ITFINITY') which is in the same line of business, as the Company, on December 22, 2006, for a total consideration of Rs. 213.48 Million based on an independent valuation, of which Rs. 195.07 Million was payable in cash and the balance consideration of Rs. 18.41 Million payable by allotment of equity shares of Rs. 10/- each based on an exchange ratio recommended by an independent valuer. Accordingly, the value of investment in ITFINITY has been recorded at Rs. 213.48 Million and the aggregated premium of Rs.18.36 Million on allotment of shares has been credited to the Securities Premium Account.

Subsequently ITFINITY has been amalgamated with the Company with effect from April 1, 2006, in terms of the Scheme of Amalgamation ("**the Scheme**") sanctioned by the Honorable High Court of Karnataka, Bangalore and the High Court of Judicature at Bombay vide their orders dated March 27, 2007 and April 21, 2007

respectively. The Scheme came into effect on May 14, 2007 and pursuant thereto all assets and debts, outstanding, credits, liabilities, benefits under income tax, excise, sales tax (including deferment of sales tax) benefits for and under STPI registrations, duties and obligations have been transferred to and vested in the Company retrospectively with effect from April 1, 2006.

Pursuant to the Scheme, the investment held by the Company in the said subsidiary is cancelled and the balance consideration to the minority shareholders aggregating to Rs. 191.66 Million, is paid by allotment of 30,997 equity shares of Rs. 10/- each fully paid up and 21,774 preference shares of Rs. 10/- each fully paid up in the Company. The amalgamation have been accounted for under the "Purchase Method" as prescribed by the Accounting Standard (AS-14), Accounting for Amalgamations prescribed by the Companies (Accounting Standards) Rules 2006 and in accordance with the Scheme, the assets and liabilities have been taken over at their book values. In terms of the scheme, the excess of consideration over the value of the net assets taken over being Goodwill arising on amalgamation as calculated below has been appropriated against the Securities Premium account. If accounted based on AS-14, goodwill would have been amortised over its useful life not exceeding 5 years from the effective date resulting in the profits for the period ended September 30, 2007 being lower by Rs. 35.85 Mio.

Goodwill arising on amalgamation:

Assets & Liabilities taken over:

	Rs. in Million	
Fixed Assets	1.20	
Investment	1.11	
Current Asset	58.91	
Current Liabilities	(14.59)	
Miscellaneous Expenditure	0.07	
Deferred Tax liabilities	(0.08)	
Total Net Assets as on April 1, 2006	46.62	**A**
Value of Consideration to Minority Shareholders	191.66	**B**
Cancellation of Investments	213.48	**C**
Goodwill on Amalgamation (Adjusted against Securities Premium Account)	358.52	**(B+C-A)**

c) Of the shares issued and allotted to the minority Shareholders of ITfinity Solutions Pvt. Ltd., as discussed in Para 5(a) above, 9,098 Preference shares were redeemed on June 01, 2007 at a premium of Rs. 3,622 each and 12,676 Preference Shares of Rs. 10/- each were converted into equity shares of Rs. 10/- each at par.

Capital Redemption Reserve has been credited to the extent of the face value of the Preference Shares redeemed during the year.

d) 24,430 Equity Shares issued to the founding members of ITFinity on its amalgamation, have been retained in an escrow up to the committed period of their employment being up to December 20, 2008 ("**Employment Period**"). On expiration of the Employment Period, the shares shall be released to the Founders. According to the Employment Agreement read along with the Merger Agreement and the Escrow Agreement, if in case the employment gets terminated within the Employment Period due to reasons stated therein, the shares shall be transferred back to the Company.

8. Investments, loans and advances to wholly owned subsidiary:

a) Investment in the wholly owned Subsidiaries has been made considering strategic business expansion plan. In the opinion of the management and considering intrinsic value and the business potential of the subsidiaries, the investment has been carried at cost.

b) The Company has given loan to its wholly owned subsidiaries aggregating Rs 7.50 Million as on September 30, 2007, Rs. 1.44 Million as on March 31, 2007, Rs. 1.54 Million as on September 30, 2006, Rs, 1.35 Million as on March 31, 2006, Rs. 1.30 Million as on March 31, 2005 including interest accrued amounting to Rs.0.2 Million, Rs.0.06 Million, Rs.0.08 Million, Rs. 0.05 Million and Rs. Nil respectively, which in the opinion of the Management is realizable in full.

9. Acquisition of Voxmobili S.A.

a) During the period, the Company has vide resolution of the board of directors dated July 12, 2007 and the share purchase agreement signed by and between the Company and the shareholders of Voxmobili S.A ("**Vox**") on July 18,2007 ("**Shares purchase agreement**") has acquired 6,501,708 shares consisting of 2,500,000 ClassA shares and 4,001,708 class B shares of Vox on September,10 2007 for a maximum total consideration of Euros 25.43 Million (aggregating to Rs 1,431.11 Million including Rs 2.50 Million of taxes payable towards transfer of shares) payable under the share purchase agreement as below:

1. Euros 18.74 Million in Cash
2. 423,722 equity shares (including bonus shares) of the Company payable to Founders of Vox valued at Euros 2.28 Million based on independent valuation and approved by the Foreign Investment and Promotion Board vide their letter dated September 5, 2007
3. Euros 3.52 Million in cash subsequent to an earn out valuation adjustment as mentioned in the share purchase agreement, payable to the founders of Vox and
4. Euros 0.9 Million payable in Cash to the eligible key employees of Vox

Accordingly, the Company has issued 423,722 equity shares of Rs 10/- each and paid Euros 18.74 Million of which Euros 2.54 Million are paid into an escrow account which would be released to the founders at the end of 24 months on satisfaction of certain conditions. The balance consideration of Euros 4.42 Million (Rs 253.65 Million) is shown as deferred payment liability in the balance sheet.

b) In terms of the share purchase agreement, the Company is also liable to grant options exercisable are Rs 3,881/- per option, for a total value aggregating to Euros 0.40 Million to the key employees other than the founders of Vox. No options have been granted thereon as at the balance sheet date.

10. In the general meeting held on August 17, 2007 the shareholders have consented for issuance of 12 Equity shares of face value of Rs. 10 each as bonus shares for every one share held by the Equity shareholders of the Company whose name appear in the register of members as on the record date, by capitalisation of capital redemption reserve and securities premium account. The Board of Directors by a circular resolution on August 18, 2007 has allotted 45,039,492 bonus shares (out of which 391,128 shares were allotted on September 10, 2007 after receipt of FIPB approval).

11. The Company has not paid any dividend to its shareholders in the past. The interim dividend reflected in the financial statements for the year ended March 31, 2007 pertains to dividend paid by the acquired entity ITfinity Solutions Private Limited to its erstwhile shareholders prior to its acquisition by the Company but after the appointment date as per the Scheme of amalgamation.

12. Employee Benefits

The Company has adopted the revised Accounting Standard (AS) 15 on Employee Benefits with effect from 1st April 2007, the details of which are given below:

I Defined Contribution Plans

During the year, the Company has recognized the following amount in the Profit and Loss Account-

Particulars	Rs. in Million
Employers' Contribution to Provident Fund including Family Pension Fund	9.30*

* Included in Contribution to provident and other funds

II Defined Benefit Plan

a) Defined Benefit Plan (Leave Encashment):

In accordance with revised Accounting Standard 15 "Employee Benefit", issued by the Institute of Chartered Accountants of India, the transitional liability of Rs 10.52 Million in respect of unutilised leave salary existing as on 31 March 2007 is adjusted against opening balance of surplus in Profit & Loss account, net of deferred tax adjustment of Rs 3.52 Million.

Leave encashment benefit expensed in the Profit & Loss Account for the period is Rs.14.67 Million. Such liability was hitherto calculated on estimated payout cost has in the current period is estimated on cost of compensated absences, the impact thereon being profits for the current period lower by Rs.7.40 Million.

b) Contribution to Gratuity Fund:

In accordance with Accounting Standard 15 (Revised 2005) actuarial valuation as on September 30, 2007 has been done in respect of the aforesaid defined benefit plan of Gratuity based on the following assumptions.

Particulars	30th September 2007
Discount Rate	8.05%p.a
Expected Rate of Return on Plan Assets	7.5% p.a
Salary Escalation Rate	10.0% p.a for the first 5 years and 7% p.a thereafter

Change in Present Value of Obligation:-

Particulars	30th September 2007
	Rs. in Million
Present Value of Obligation as at April 1st 2007	4.93
Current Service Cost	1.15
Interest on Defined Benefit Obligation	0.19
Benefits Paid	-
Net Actuarial Losses / (Gains) Recognized in Year	1.40
Past Service Cost	-
Losses / (Gains) on "Curtailments & Settlements"	-
Closing Present Value of Obligations	7.67

Change in the Fair Value of Assets

Particulars	30th September 2007
	Rs. in Million
Opening Fair Value of Plan Assets	1.82
Expected Return on Plan Assets	0.08
Actuarial Gains / (Losses)	0.004
Assets Distributed on Settlements	-
Contributions by Employer	1.07
Assets Acquired due to Acquisition	-
Exchange Difference on Foreign Plans	-
Benefits Paid	-
Closing Fair Value of Plan Assets	2.98

Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of plan assets:

Particulars	30th September 2007
	Rs. in Million
Closing Present Value of Funded Obligations	7.67
Closing Fair Value of Plan Assets	(2.98)

Closing Funded Status	4.69
Unrecognized Actuarial (gains) / losses	-
Unfunded Net Asset / (Liability) recognised In Balance Sheet	-

Amount recognized in the Balance Sheet

Particulars	30th September 2007
	Rs. in Million
Closing Present value of obligations	7.67
Closing Fair Value of plan assets	(2.98)
Liability Recognised in the Balance Sheet	4.69

Expenses recognized in the Profit & Loss Account

Particulars	30th September 2007
	Rs. in Million
Current Service Cost	1.15
Past Service Cost	-
Interest Cost	0.19
Expected Return on Plan Assets	(0.08)
Actuarial (Losses) / Gain	1.40
Losses / (Gains) on "Curtailments & Settlements"	
Total Expenses to be recognized in the Profit & Loss Account	2.66

This being the first year of adoption of revised AS-15 Employee Benefit, no comparative information and other disclosure relating to previous year have been provided in this accounts.

13. Employee Stock Option Plans

a) During the year 2003-2004 the Company introduced 'OnMobile Employees Stock Option Plan – I 2003' and 'OnMobile Employees Stock Option Plan – II 2003' for the benefit of the employees, as approved by the board of directors in the meeting held on October 31, 2003 and December 4, 2003 respectively and Extra Ordinary General Meeting held on March 5, 2001 the Company has appropriated 1,026,000 & 114,000 equity shares of Rs.10/- each respectively to be granted to the eligible employees. The options are to be granted at the discretion of the compensation committee at the exercise price determined by them. In accordance with the terms of the stock option plans, 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.

Numbers of options granted, exercised and forfeited during the years under the above scheme are given below:

	For the half year ended September 30, 2007	For the year ended March 31, 2007	For the half year ended September 30, 2006	For the year ended March 31, 2006	For the year ended March 31, 2005	For the 15 month period ended March 31, 2004
Options granted outstanding at the beginning of the year	130,113	1,060,376	1,060,376	706,815	709,496	Nil
Granted in the earlier years not considered	Nil	Nil	Nil	28,670	Nil	Nil
Granted during the year	32,923	71,899	46,934	334,880	Nil	709,496
Exercised during the year	23,188	972,681	Nil	2,588	2,681	Nil
Forfeited during the	4,649	29,471	25,525	7,401	Nil	Nil

year						
Increase in options consequent to issuance of bonus shares as discussed in Note 10 above	1,622,388	Nil	Nil	Nil	Nil	Nil
Options granted outstanding at the end of the year/Period	1,757,587	130,113	1,081,785	1,060,376	706,815	709,496

Of the above grants outstanding, grants vested as on the balance sheet date were

For the half year ended September 30, 2007	For the year ended March 31, 2007	For the half year ended September 30, 2006	For the year ended March 31, 2006	For the year ended March 31, 2005	For the 15 month period ended March 31, 2004
252,811	2,604	937,774	655,787	566,969	445,968

b) During the year 2006-2007 the Company introduced 'OnMobile Employees Stock Option Plan – III 2006' *vide* Board Resolution dated July 24, 2006 and Shareholders Resolution dated July 24, 2006. A total of 61,567 options had been appropriated to be granted to the eligible directors and employees. The options to the directors are to be granted at the discretion of the Board of Directors and the options to the employees are to be granted by compensation committee at the exercise price determined by them respectively. In accordance with the terms of the stock option plans, 25% of such Options granted would vest at the end of twelve (12) months from the date the Optionee becomes an employee/director 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. A total of 61,567 options had been appropriated to be granted to the eligible directors and employees.

Numbers of options granted, exercised and forfeited during the year under the said scheme are given below:

	For the half year ended September 30, 2007	For the year ended March 31, 2007	For the half year ended September 30, 2006	For the year ended March 31, 2006	For the year ended March 31, 2005	For the 15 month period ended March 31, 2004
Options granted outstanding at the beginning of the Period	-	-	-	-	-	-
Granted during the period	59,567	-	-	-	-	-
Exercised during the year	-	-	-	-	-	-
Forfeited during the year	200	-	-	-	-	-
Increase in options consequent to issuance of bonus shares as discussed in Note 10 above	712,404					
Options granted outstanding at the end of the year	771,771	-	-	-	-	-
Grants outstanding which are vested	40,625					
Options excisable at the year end	-	-	-	-	-	-
Weighted average remaining contractual life (years)at the year end	4.6	-	-	-	-	-
Weighted Average Exercise Price per option(after adjusting for Bonus Issue)	Rs 252.92	-	-	-	-	-
Range of exercised price	Rs 210.38 to Rs 261.54	-	-	-	-	-

The Company has accounted the above options using the intrinsic value method and thus, the difference between the fair value of the underlying shares in the year of grant and the options exercise value is charged to the profit and loss account. Accordingly, the compensation charge thereon in the current period is Rs.0.17 Million.

The guidance note issued by the Institute of Chartered Accountants of India requires the disclosure of pro forma net results and EPS both basic & diluted, had the Company adopted the fair value method. Had the Company accounted the option under fair value method, amortising the stock compensation expense thereon over the vesting period, the reported profit for the period ended September 30, 2007 would have been lower by Rs. 11.20 Million and Basic and diluted EPS would have been revised to 5.50 and 4.87 respectively as compared to 5.75 and 5.09 without such impact.

The fair value of stock based awards to employees is calculated through the use of option pricing models, requiring subjective assumptions which greatly affect the calculated values. The said fair value of the options have been calculated using Black-Scholes option pricing model, considering the expected term of the options to be 4 years, an expected dividend rate of 1% on the underlying equity shares, volatility in the share price of 59% and a risk free rate of 7%. The Company's calculations are based on a single option valuation approach, and forfeitures are recognized as they occur. The expected volatility is based on historical volatility in the comparable industry during the year after eliminating the abnormal fluctuations.

c) During the year 2007-2008 the Company introduced 'OnMobile Employees Stock Option Plan – I and II 2007' *vide* Board Resolution dated July 12, 2007 and Shareholders Resolution dated August 17, 2007. A total of 975,000 and 5,720 options respectively have been appropriated to be granted to the eligible employees. In accordance with the terms of the stock option plans, 25% of such Options granted would vest at the end of twelve (12) months from the date the Optionee becomes an employee/director 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.

As at September 30, 2007 there are no options granted or outstanding under the said 'OnMobile Employees Stock Option Plan – I and II 2007'.

14. Segment Reporting:

The Company is engaged in providing Software Services globally and is considered to constitute a single segment in the context of AS – 17 on "Segment Reporting" issued by The Institute of Chartered Accountants of India. Geographical Segment constitutes the Secondary Segment of Company and the secondary segment details are given below.

(Amount in Rs. Million)

Particulars	For the half year ended September 30, 2007	For the year ended March 31, 2007	For the half year ended September 30, 2006	For the year ended March 31, 2006	For the year ended March 31, 2005	For the 15 month period ended March 31, 2004	For the year ended December 31, 2002
Domestic Income	1,022.76	1,297.35	550.81	824.29	408.89	172.64	14.05
Export	37.52	68.4	14.32	0.51	0.57	Nil	6.40

to any reportable segment as these are used interchangeably between segments and hence segment Segment assets, segment liabilities and fixed assets used in the Company's business have not been identified disclosures related to the total carrying amount of the segment assets, segment liabilities and fixed assets have not been given.

15. Related Parties

I. List of Related parties and relationship:

	Relationship	For the half year ended September 30, 2007	For the year ended March 31, 2007	For the half year ended September 30, 2006	For the year ended March 31, 2006	For the year ended March 31, 2005	For the 15 month period ended March 31, 2004	For the year ended December 31, 2002
(i)		**Controlling Enterprises**						
	Holding Company	OnMobile Systems Inc., USA	OnMobile Systems Inc., USA	OnMobile Systems Inc., USA	OnMobile Systems Inc., USA	OnMobile Systems Inc.,USA	OnMobile Systems Inc., USA	OnMobile Systems Inc., USA
	Subsidiaries	OnMobile Singapore Pte. Ltd OnMobile Australia Pty. Ltd. Pt OnMobile Indonesia (w.e.f 23/08/2007) Vox Mobili S.A (w.e.f 10/09/07) Phonetize Solutions Private Limited	OnMobile Singapore Pte. Ltd. OnMobile Australia Pty. Ltd. Phonetize Solutions Private Limited	OnMobile Singapore Pte. Ltd OnMobile Australia Pty. Ltd. Phonetize Solutions Private Limited	OnMobile Singapore Pte. Ltd. OnMobile Australia Pty. Ltd.	OnMobile Singapore Pte. Ltd.		
(ii)		**Other related parties with whom the Company had transactions**						
	Key Management Personnel	Arvind Rao Chandramouli Janakiraman	Arvind Rao Chandramouli Janakiraman	Arvind Rao Chandramouli Janakiraman	Arvind Rao Chandramouli Janakiraman	Arvind Rao Chandramouli Janakiraman	Arvind Rao Abraham Mathews Amit Kumar Dey Chandramouli Janakiraman	Arvind Rao Abraham Mathews Amit Kumar Dey Susmita Bhattacharjee Chandramouli Janakiraman

II. Transactions with Related Parties

(Amount in Rs. Million)

		For the half year ended September 30, 2007	For the year ended March 31, 2007	For the half year ended September 30, 2006	For the year ended March 31, 2006	For the year ended March 31, 2005	For the 15 month period ended March 31, 2004	For the year ended December 31, 2002
1	Income from services							
	OnMobile Systems Inc., USA		-		-	-	-	6.40
	OnMobile Singapore Pte. Ltd.	21.05	2.57		-	0.57	-	-
	OnMobile Australia Pty. Ltd.	5.39	13.86	4.11	0.63	-	-	-
	Total	**26.44**	**16.43**	**4.11**	**0.63**	**0.57**	**-**	**6.40**
2	Business Development expenses							
	OnMobile Singapore Pte. Ltd.	8.81	7.39	3.66	5.80	-	-	-
	OnMobile Australia Pty. Ltd.	5.49	16.36	8.25	7.80	-	-	-
	PT OnMobile Indonesia	1.82	-	-	-	-	-	-
	OnMobile Systems Inc., USA	-	-	-	-	-	-	-
	Total	**16.12**	**23.75**	**11.91**	**13.60**	**-**	-	-
3	**Interest Receivable**							
	OnMobile Singapore Pte. Ltd.	0.03	0.06	0.03	-	-	-	-
	PT OnMobile Indonesia	0.06	-	-	-	-	-	-
	Total	**0.09**	**0.06**	**0.03**				
4	**Remuneration**							
	Abraham Mathews	-	-		-	-	1.26	0.06
	Amit Kumar Dey	-	-		-	-	1.57	0.93
	Susmita Bhattacharjee	-	-		-	-	-	0.47
	Arvind Rao	4.05	13.85	1.67	-	-	-	-
	Chandramouli Janakiraman	1.75	2.71	0.97	1.95	2.10	1.99	0.21
	Total	**5.80**	**16.56**	**2.65**	**1.95**	**2.10**	**4.82**	**1.67**
5	**Grant of Loan**							
	OnMobile Singapore Pte. Ltd	**-**	**-**		**-**	1.30	**-**	**-**
	Total					**1.30**		
6	**Purchase of fixed Assets/other items**							
	OnMobile Systems Inc., USA	**-**	**-**		**-**	3.39	98.74	3.88
	Total	**-**	**-**		**-**	**3.39**	**98.74**	**3.88**
7	**Sale of fixed Assets/other items**							
	OnMobile Systems Inc., USA	**-**	**-**		**-**	**-**	**-**	4.04
	Total	**-**	**-**		**-**	**-**	**-**	**4.04**
8	**Amount Payable**							
	OnMobile Singapore Pte. Ltd.	-	1.43	1.63	1.27	-	-	-

		For the half year ended September 30, 2007	For the year ended March 31, 2007	For the half year ended September 30, 2006	For the year ended March 31, 2006	For the year ended March 31, 2005	For the 15 month period ended March 31, 2004	For the year ended December 31, 2002
	OnMobile Australia Pty. Ltd.	5.79	6.67	5.47	1.50	-	-	-
	OnMobile Systems Inc.	66.67	73.29	78.84	78.77	87.22	96.48	2.54
	PT OnMobile Indonesia	1.85	-	-	-	-	-	-
	Phonetize Solutions Private Limited	0.05	0.05	0.05	-	-	-	-
	Total	**74.36**	**81.44**	**85.99**	**81.54**	**87.22**	**96.48**	**2.54**
9	**Amount Receivable**							
A	Loan							
	OnMobile Singapore Pte. Ltd	1.34	1.39	1.46	1.35	1.30	-	-
	PT OnMobile Indonesia	5.97	-	-	-	-	-	-
B	Accrued interest							
	OnMobile Singapore Pte. Ltd	0.13	0.06	0.08	0.05	-	-	-
	PT OnMobile Indonesia	0.06	-	-	-	-	-	-
C	Other Advances							
	Arvind Rao	0.38	2.10	2.95	2.91	2.15	0.93	-
	Chandramouli Janakiraman	-	0.01	0.04	-	-	-	-
	OnMobile Singapore Pte. Ltd.	5.82	-		-	0.46	-	-
	Vox Mobili Receivable	0.46	-		-	-	-	-
D	Sundry Debtors							
	OnMobile Singapore Pte. Ltd.	23.40	2.44	-	-	-	-	-
	OnMobile Australia Pty. Ltd.	5.58	7.83	4.11	-	-	-	-
	Total	**43.14**	**13.83**	**8.65**	**4.31**	**3.91**	**0.93**	**-**

Notes:

1. Related party relationships are as identified by the Company on the basis of information available with them and accepted by the auditors.
2. No amount has been written off or written back during the year in respect of debts due from or to related party.

16. Earnings per Share

The earnings per share, computed as per requirements of Accounting Standard 20 – Earnings per Share, issued by the Institute of Chartered Accountants of India, is as under:

(Amount in Rs. Million except no. of shares)

Particulars	For the half year ended September 30, 2007	For the year ended March 31,2007	For the half year ended September 30, 2006	For the year ended March 31, 2006	For the year ended March 31, 2005	For the 15 month period ended March 31, 2004	For the year ended December 31, 2002
Profit after tax as per the Profit & Loss Account	256.58	348.37	112.93	247.57	141.39	43.19	(7.21)

Particulars	For the half year ended September 30, 2007	For the year ended March 31,2007	For the half year ended September 30, 2006	For the year ended March 31, 2006	For the year ended March 31, 2005	For the 15 month period ended March 31, 2004	For the year ended December 31, 2002
Weighted average number of Shares for Basic EPS	44,593,694	26,634,907	19,307,283	13,000,000	13,000,000	13,000,000	13,000,000
Add: Effect of weighted average no. of Convertible Preference Shares	3,466,724	20,653,464	15,155,782	16,733,457	16,733,457	16,733,457	16,733,457
Add: Effect of Share application Money	-	-	45,630	-	-	-	-
Add: Effect of weighted average no. of options outstanding	2,529,358	1,691,469	14,063,205	13,784,888	9,188,595	9,223,448	-
Less: No. of shares that would have been issued at fair value	159,224	6,063	50,405	9,075,678	9,188,595	9,223,448	-
Weighted Average Number of equity shares for diluted EPS	50,430,551	48,973,777	48,521,495	34,442,667	29,733,457	29,733,457	29,733,457
Nominal value of equity shares	10	10	10	10	10	10	10
Earnings/ (Loss) Per Share:							
Basic (Rs.)	6	13	6	19	11	3	(1)
Diluted (Rs.)	5	7	2	7	5	1	-

NOTE:

a. The convertible preference shares and options are anit-dilutive and are ignored in the calculation of diluted earnings per share for the year ended December 31,2002.

b. Consequent to issuance of bonus shares as discussed in Note 10 above, the calculation of basic and diluted earnings per share has been adjusted for the increase in the number of Equity Shares outstanding as a result of the issuance of bonus Equity Shares, for all the periods presented.

17. Accounting for Taxes on Income

In accordance with the Accounting Standard 22 – "Accounting for Taxes on Income", issued by the Institute of Chartered Accountants of India, the Company has created a deferred tax asset to the extent of Rs. 4.41 Million for the current period, which has been credited to the Profit & Loss account. Details of Deferred Tax Asset and Liabilities are:

(Amount in Rs Million)

Particulars	Opening Balance	Current year (credit)/charge	Closing Balance
Difference between book & tax depreciation	-	8.61	8.61
Others (Provision for gratuity, leave encashment etc.,)	-	(0.55)	(0.55)
Def Tax (Assets)/ Liabilities as on 31.3.2004	**-**	**8.06**	**8.06**
Difference between book & tax depreciation	8.61	3.16	11.77

Particulars	Opening Balance	Current year (credit)/charge	Closing Balance
Others (Provision for gratuity, leave encashment etc.,)	(0.55)	0.08	(0.47)
Def Tax (Assets)/ Liabilities as on 31.3.2005	**8.06**	**3.24**	**11.30**
Difference between book & tax depreciation	11.77	14.64	26.41
Others (Provision for gratuity, leave encashment etc.,)	(0.47)	(2.56)	(3.03)
Def Tax (Assets)/ Liabilities as on 31.3.2006	**11.30**	**12.08**	**23.38**
Difference between book & tax depreciation	26.41	(0.35)	26.14
Others (Provision for gratuity, leave encashment etc.,)	(3.03)	0.38	(2.65)
Deferred tax Liability of Infinity	0.08	-	-
Def Tax (Assets)/ Liabilities as on 30.9.2006	**23.46**	**0.03**	**23.49**
Difference between book & tax depreciation	26.41	7.24	33.73
Others (Provision for gratuity, leave encashment etc.,)	(3.03)	(0.84)	(3.87)
Deferred tax Liability of ITfinity	0.08	-	-
Def Tax (Assets)/ Liabilities as on 31.3.2007	**23.46**	**6.40**	**29.86**
Difference between book & tax depreciation	33.73	8.28	42.01
Others (Provision for gratuity, leave encashment etc.,)	(3.87)	(16.21)	(20.08)
Def Tax (Assets)/ Liabilities as on 30.9.2007	**29.86**	**(7.93)**	**21.93**

Out of above credit for the current period, Rs. 3.52 Million has been credited to the General reserve on account of transitional provision as per revised AS-15.

18. Operating Leases

The Company is obligated under non-cancelable operating lease for office space. Total rental expense under non-cancelable operating lease for office space:
(Amount in Rs. Million)

	For the half year ended September 30, 2007	For the year ended March 31, 2007	For the half year ended September 30, 2006	For the year ended March 31, 2006	For the year ended March 31, 2005	For the 15 month period ended March 31, 2004	For the year ended December 31, 2002
Rental expense	24.85	34.60	16.20	5.68	2.04	1.58	-

Future lease payments under non-cancelable operating lease for office space are as follows:

(Amount in Rs. Million)

Period	For the half year ended September 30, 2007	March 31, 2007	For the half year ended September 30, 2006	March 31, 2006	March 31, 2005	March 31, 2004	December 31, 2002
Not later than 1 year	80.60	39.47	39.26	30.31	-	2.04	-
Later than 1 year and not later than 5	256.15	172.93	137.83	115.08	-	-	-

years

19. The details of Provisions under AS-29 is as under:-

(Amount in Rs. Million)

Sl. No	Nature of Expense	Probable outflow estimated within	Provision outstanding at beginning of the year	Provision made during the year	Provision utilized during the year	Provision reversed during the year	Provision outstanding as at the year end
	Half year Ended September 30, 2007						
1	Other provisions-warranties & customer credits	3 years	34.90	111.29	54.79	-	91.40
2	Employee Performance Incentives	1 year	8.8	17.83	4.05	0.35	22.25
	Year 2006-07						
1	Other provisions-warranties & customer credits	3 years	2.86	79.04	44.15	2.86	34.90
2	Employee Performance Incentives	1 year	1.56	8.83	1.32	0.24	8.83
	Half year Ended September 30, 2006						
1	Other provisions-warranties & customer credits	3 years	2.86	50.80	12.78	-	40.88
2	Employee Performance Incentives	1 year	1.56	6.12	1.32	0.24	6.12
	Year 2005-06						
1	Warranty	3 years	2.48	2.86	-	2.48	2.86
2	Employee Performance Incentives	1 year	5.18	1.56	5.18	-	1.56
	Year 2004-05						
1	Warranty	3 years	4.78	1.88	-	4.18	2.48
2	Employee Performance Incentives	1 year	-	5.18	-	-	5.18
	Year 2004						
1	Warranty	3 years	0.40	4.38	-	-	4.78
2	Employee Performance Incentives	1 year	-	-	-	-	-
	Year 2002						
1	Warranty	3 years	-	0.40	-	-	0.40

20. Disclosure on Derivative Instruments

There are no outstanding forward exchange contracts entered into by the Company as on September 30, 2007. Foreign Currency exposures as that have not been hedged by a derivative instrument or otherwise:

Particulars	Year	Amount (Rs in Million)	Amount (Foreign Currency in Million)
Due to:			
Creditors against import of goods & services	September 30, 2007	118.83 5.79 1.85	USD2.99 AUD 0.16 Rp 423.88

	March 31, 2007	73.29	USD1.67
		6.67	AUD 0.18
		1.43	SGD 0.05
	September 30, 2006	78.84	USD1.71
		5.47	AUD 0.16
		2.00	SGD 0.07
	March 31, 2006	78.77	USD1.75
		1.50	AUD 0.03
		1.27	SGD 0.05
	March 31, 2005	87.22	USD1.98
	March 31, 2004	96.48	USD 2.20
	December 31, 2002	2.54	USD 0.05
Due from:			
Debtors against export of services/ goods	September 30, 2007	8.83	AUD 0.25
		23.40	SGD 0.88
		14.46	USD 0.37
		0.34	EURO 0.006
	March 31, 2007	7.83	AUD 0.23
		2.44	SGD 0.09
		6.87	USD 0.03
		1.15	EURO 0.02
	September 30, 2006	4.11	AUD 0.12
		0.17	USD 0.003
Against Loan and interest thereon	September 30, 2007	1.47	SGD 0.05
		6.03	USD 0.15
	March 31, 2007	1.44	SGD 0.05
	September 30, 2006	1.54	SGD 0.05
	March 31, 2006	1.40	SGD 0.05
	March 31, 2005	1.30	SGD 0.05
Against Advances	September 30, 2007	5.82	SGD 0.22
	September 30, 2006	0.09	SGD 0.003
	March 31, 2005	0.46	SGD 0.01

The above disclosures have been made consequent to an announcement by the Institute of Chartered Accountants of India in December 2005.

21. During the period ended March 31, 2004 the Company has acquired the Computer Software – MMP 2500 and further certain 'Additional Value Added Applications Software' with all rights including exclusive ownership, copyright, trademark, right to develop, market and license and the source code thereon, from its holding Company for a total consideration of Rs. 96.49 Million based on independent valuations. The above intangibles are amortized over their commercial life, which is estimated to be three years.

22. The figures for period ended September 30, 2007 and September 30,2006 are for half year and March 31, 2004 is for 15 months respectively, while the figures for other years presented are for 12 months and hence are not comparable. Previous year figure have been regrouped and reclassified to match to the current year groupings/classification.

ONMOBILE GLOBAL LIMITED

(formerly OnMobile Asia Pacific Private Limited)

Annexure 6 - Restated Schedule of Fixed Assets

(Amount in Rs. Million)

Particulars	As at Sep 30, 2007	As at March 31, 2007	As at Sep 30, 2006	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at December 31, 2002
Gross Block							

Tangible Assets								
Lease Hold Improvements		14.19	-	-	-	-	-	-
Building		68.39	-	-	-	-	-	-
Office Equipment		1.73	1.73	1.55	1.45	1.45	0.71	0.30
Furniture & Fixtures		2.95	1.17	0.36	-	-	-	-
Computer & Electronic equipment		618.36	412.71	293.76	221.69	83.40	18.24	12.52
Motor Car		11.37	1.27	1.27	-	-	-	-
Total	**A**	**716.99**	**416.88**	**296.94**	**223.14**	**84.85**	**18.95**	**12.82**
Intangible Assets								
Software		183.05	155.27	145.29	132.84	96.49	96.49	-
Total	**B**	**183.05**	**155.27**	**145.29**	**132.84**	**96.49**	**96.49**	**-**
Total (A+B)	**C**	**900.04**	**572.15**	**442.23**	**355.98**	**181.34**	**115.44**	**12.82**
Less: Accumulated Depreciation /Amortisation	**D**	**386.46**	**288.68**	**210.62**	**142.99**	**57.90**	**13.11**	**6.08**
Net Block (C-D)	**E**	**513.58**	**283.47**	**231.61**	**212.99**	**123.44**	**102.33**	**6.74**
Capital Work in Progress	**F**	188.90	42.87	10.77	-	5.05	-	-
Total Fixed Assets (E + F)		**702.48**	**326.34**	**242.38**	**212.99**	**128.49**	**102.33**	**6.74**

ONMOBILE GLOBAL LIMITED

(formerly OnMobile Asia Pacific Private Limited)

Annexure 7 - Restated Schedule of Investments

(Amount in Rs. Million except for no. of shares/ units)

	As at Sep 30, 2007	As at March 31, 2007	As at Sep 30, 2006	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at December 31, 2002
INVESTMENTS							
Long term investments in value - Non Trade (unquoted) at cost							
Wholly owned subsidiaries							
OnMobile Singapore Pte. Ltd., Singapore	2.29	2.29	2.29	2.29	0.28	-	-
OnMobile Australia Pty. Ltd., Australia	3.33	3.33	3.33	3.33	-	-	-
Pt. Indonesia OnMobile, Indonesia	4.06	-	-	-	-	-	-
Vox mobili SA, France	1,431.11	-	-	-	-	-	-
Phonetize Solutions Pvt. Ltd.	0.10	0.09	0.09	-	-	-	-
Short term investments in value in Mutual Funds- Non Trade (quoted) at lower of cost and market value							
DSP Merril Lynch Floating Rate Fund	-		10.91	20.66	5.12	-	-
Deustche Floating Rate Fund Regular Plan	-	-	-	5.41	5.02	-	-
ABN AMRO Fixed Term Plan	-	257.38	-	-	-	-	-
Kotak Fixed Maturity Plan 3 M Series 8	-	257.44	-	-	-	-	-
Kotak FMP 3M Series 16		-		-	-	-	-
Pru ICICI Fixed Maturity Plan Series 35	-	257.34	300.05	-	-	-	-
LIC Mutual Fund	-	50.57	150.05	-	-	-	-
Reliance Interval Fund	-	200.80	-	-	-	-	-
In ING Vysya Liquid Fund		-	-	-	-	5.08	-
Tata Mututal Fund	75.15	-	-				

Reliance Liquidity Fund			150.03				
DSPLI			150.02				
Birla Cash Plus CA 1			150.03				
Birla Cash Plus CA			300.05				
	1,516.04	**1,029.24**	**1,216.85**	**31.69**	**10.42**	**5.08**	**-**
Market Value of short term investments	75.15	1,024.28	1,211.14	26.09	10.15	5.08	-

ONMOBILE GLOBAL LIMITED
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Annexure 7 - Restated Schedule of Investments (Contd.)

(Amount in Rs. Million except for no. of shares/ units)

	As at Sep 30, 2007	As at March 31, 2007	As at Sep 30, 2006	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at December 31, 2002
Long term investments in quantity (no. of shares)							
Wholly owned subsidiaries							
OnMobile Singapore Pte. Ltd., Singapore - equity shares of Singapore $ 1 each, fully paid	85,000	85,000	85,000	85,000	10,000	-	-
OnMobile Australia Pty. Ltd., Australia - equity shares of Australian $ 1 each, fully paid	100,000	100,000	100,000	100,000	-	-	-
Pt. Indonesia OnMobile, Indonesia	1,000	-	-	-	-	-	-
Vox mobili SA, France, equity shares of Euro 0.05 each, fully paid	6,501,705	-	-	-	-	-	-
Phonetize Solutions Pvt.	9,999	9,000	9,000	-	-	-	-

Ltd. - equity shares of Rs 10/- each, fully paid							
Short term investments in quantity in mutual funds (no. of units)							
DSP Merril Lynch Floating Rate Fund	-	-	1,093,729	2,060,038	510,384	-	-
Deustche Floating Rate Fund Regular Plan		-		526,656	489,972	-	-
ABN AMRO Fixed Term Plan	-	25,641,719	-	-	-	-	-
Kotak Fixed Maturity Plan 3 M Series 8	-	25,732,171	-	-	-	-	-
Kotak FMP 3M Series 16		-		-	-	-	-
Pru ICICI Fixed Maturity Plan Series 35	-	25,748,988	30,004,763	-	-	-	-
LIC Mutual Fund	-	4,605,177	13,665,549	-	-	-	-
Reliance Interval Fund	-	2,000,000	-	-	-	-	-
In ING Vysya Liquid Fund		-		-	-	471,423	-
Tata Mututal Fund	7,488,600	-	-	-	-	-	-
Reliance Liquidity Fund	-	-	14,997,923	-	-	-	-
DSPLI	-	-	149,994	-	-	-	-
Birla Cash Plus CA 1	-	-	14,973,473	-	-	-	-
Birla Cash Plus CA	-	-	29,946,945	-	-	-	-

ONMOBILE GLOBAL LIMITED
(formerly OnMobile Asia Pacific Private Limited)

Annexure 7 - Restated Schedule of Investments (Contd.)

Details of Purchase & Sale during the years/periods

(Amount in Rs.Million except for no. of shares/ units)

Name of the fund	Purchase		Sales (Cost of Sale)	
Half Year ended 30 September 2007	**No. of Shares / Units**	**Amount**	**No. of Shares / Units**	**Amount**
Long Term Investments				
Vox Mobili SA - France	6,501,705	1431.11	Nil	Nil
Pt. Indonesia OnMobile ., Indonesia	1,000	4.06	Nil	Nil
Phonetize Solutions Private Limited	999	0.01	Nil	Nil
Total		**1435.18**		**Nil**
ING Vysya Mutual Fund	40,227,679	402.52	40,227,679	402.52
Pru ICICI MF	9,504,251	100.49	9,504,251	100.49
DBS Chola Freedom Income	10,015,293	100.15	10,015,293	100.15
DWS Credit Opportunities Cash fund	6,013,681	60.46	6,013,681	60.46
Principal Floating Rate MF	10,058,006	100.70	10,058,006	100.70
Frankline Templeton	20,045,226	201.04	20,045,226	201.04
Tata Floater Mutual Fund	33,488,850	336.09	26,000,250	260.93
Kotak Fixed Maturity Plan 3 M Series 8	639,274	6.27	26,371,445	263.71
Kotak Fixed Maturity Plan 3 M Series 16	26,425,851	264.26	26,425,851	264.26
ABN AMRO Fixed Term Plan	752,782	7.62	26,394,501	265.00
Reliance Interval Fund	367,304	3.63	20,367,304	204.43
Pru ICICI Fixed Maturity Plan Series 35	134,925	1.49	25,883,912	258.84
LIC Mutual Fund	1,863	0.02	4,607,040	50.59
HSBC Liquid Plus Fund	5,205,084	52.12	5,205,084	52.12
Total		**1,636.86**		**2,585.24**
Year 2006-07				
Long Term Investments				
Phonetize Solutions Private Limited	9,000	0.09	Nil	Nil
Total		**0.09**		**Nil**
Short Term Investments				
LIC Mutual Fund	14,167,932	155.57	9,562,754	105.00
Reliance Liquidity Fund	15,040,527	150.45	15,040,527	150.45
Birla Cash Plus	30,270,138	303.29	30,270,138	303.29
Birla Cash Plus 1	15,016,138	150.45	15,016,137	150.45
DSP Merril Lynch Floating Rate Fund	150,445	150.45	150,445	150.45
Prudential ICICI Institutional Liquid Plan	42,255,887	422.56	42,255,886	422.56
Deustche Floating Rate Fund Regular Plan	-	0.00	541,543	5.41
HSBC Liquid Plus Fund	9,033,445	90.42	9,033,445	90.42
DSP Floating Rate Fund	55,801	0.57	2,115,839	21.23
HDFC Liquid Plus Fund	4,444,936	45.33	4,444,936	45.33
Pru ICICI Fixed Maturity Plan Series 35	25,748,988	257.34	Nil	Nil
Kotak Fixed Maturity Plan 3 M Series 8	25,732,171	257.44	Nil	Nil
ABN AMRO Fixed Term Plan	25,641,719	257.38	Nil	Nil

Reliance Interval Fund	2,000,000	200.80	Nil	Nil
Kotak Nifty Debentures			-	1.02
Total		**2,442.05**		**1,445.61**

ONMOBILE GLOBAL LIMITED

(formerly OnMobile Asia Pacific Private Limited)

Annexure 7 - Restated Schedule of Investments (Contd.)

Details of Purchase & Sale during the years/periods

(Amount in Rs.Million except for no. of shares/ units)

Name of the fund	Purchase		Sales	
Half Year ended 30 September 2006	**No. of Shares / Units**	**Amount**	**No. of Shares / Units**	**Amount**
Long Term Investments				
Phonetize Solutions Private Limited	9,000	0.09	Nil	Nil
Total		**0.09**		**Nil**
Short Term Investments				
LIC Mutual Fund	13,665,550	150.05	0.00	0.00
Deustche Floating Rate Fund Regular Plan	-	-	526,656.00	5.42
DSPLI	149,994	150.02	0.00	0.00
DSPML Floating Rate fund	27,996	0.26	996,889.70	10.00
Birla Cash Plus CA	29,946,945	300.05	0.00	0.00
Birla Cash Plus CA 1	14,973,473	150.03	0.00	0.00
Prudential ICICI MFCA	30,004,763	300.05	0.00	0.00
Reliance Liquidity Fund	14,997,923	150.03	0.00	0.00
Total		**1,200.49**		**15.42**
Year 2005-06				
Long Term Investments				
OnMobile Singapore Pte. Ltd., Singapore	75,000	2.01	Nil	Nil
OnMobile Australia Pty. Ltd., Australia	100,000	3.33	Nil	Nil
Total		**5.34**		**Nil**
Short Term Investments				
DSP Merril Lynch Floating Rate Fund	3,544,169	35.55	1,994,515	20.00
Deustche Floating Rate Fund Regular Plan	4,411,285	45.38	4,374,601	45.00
Tata Fund Regular Plan	1,990,018	20.06	1,990,018	20.07
Total		**100.99**		**85.07**
Year 2004-05				
Long Term Investments				
OnMobile Singapore Pte. Ltd., Singapore	10,000	0.28	Nil	Nil
Total		**0.28**		**Nil**
Short Term Investments				
Cholamandalam AMC Ltd	438,011	5.01	438,011	5.01
Deustche Insta Cash Plus Fund	495,674	5.02	495,674	5.02
Deustche Insta Cash Plus Fund (Daily Dividend Plan)	489,978	5.05	489,978	5.05
Deustche Floating Rate Fund Regular Plan	1,961,717	20.08	1,471,745	15.07
DSP Merril Lynch Liquidity Fund	405,040	5.03	405,040	5.03
DSP Merril Lynch Floating Rate Fund	510,384	5.12	-	-
ING Vysya Liquid Fund	7,194	0.08	478,617	5.15
LICMF Floating Rate Fund	499,610	4.99	499,610	4.99
LCMF Liquid Fund	1,885,908	20.39	1,885,908	20.39

Reliance Floating Rate Fund	506,648	5.08	506,648	5.08
Templeton India Treasury Management Account	4,044	5.03	4,044	5.03
Sundaram Money Fund	505,373	5.07	505,373	5.07
Total		**85.95**		**80.89**
Year 2003-04				
Short Term Investments				
Cholamandalam AMC Ltd	884,428	10.06	884,428	10.06
ING Vysya Liquid Fund	471,423	5.08	-	-
Templeton India Treasury Management Account	4,069	5.06	4,069	5.06
Total		**20.20**		**15.12**

ONMOBILE GLOBAL LIMITED
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Annexure 8 - Restated Schedule of Sundry Debtors

(Amount in Rs. Million)

	As at Sep 30, 2007	As at March 31, 2007	As at Sep 30, 2006	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at December 31, 2002
SUNDRY DEBTORS- (Unsecured)							
Debts outstanding for a period exceeding six months							
Considered good	52.45	32.16	33.09	14.27	3.19	0.40	-
Considered doubtful	19.16	2.66	1.20	6.30	-	-	-
Other Debts							
Considered good	564.60	345.36	335.63	326.85	160.02	33.40	5.47
Unbilled Revenue	219.49	165.94	128.54	-	1.86	2.34	-
	855.70	546.12	498.46	347.42	165.07	36.14	5.47
Less: Provision for Doubtful Debts	19.16	2.66	1.20	6.30	-	-	-
	836.54	**543.46**	**497.26**	**341.12**	**165.07**	**36.14**	**5.47**

ONMOBILE GLOBAL LIMITED
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Annexure 9 - Restated Schedule of Cash and Bank Balances

(Amount in Rs.Million)

	As at Sep 30, 2007	As at March 31, 2007	As at Sep 30, 2006	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at December 31, 2002
CASH AND BANK BALANCES							
Cash on hand	0.24	0.15	0.24	0.04	0.01	-	-
Cheques on hand	-	0.18	-	-	-	-	-
Balances with scheduled banks:							
- In current account	121.12	101.59	41.72	30.07	10.15	1.27	5.34
- In deposit account	7.98	103.46	125.44	5.59	31.07	27.98	3.10
	129.34	**205.38**	**167.40**	**35.70**	**41.23**	**29.25**	**8.44**

ONMOBILE GLOBAL LIMITED

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Annexure 10 - Restated Schedule of Loans and Advances

(Amount in Rs. Million)

	As at Sep 30, 2007	As at March 31, 2007	As at Sep 30, 2006	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at December 31, 2002
LOANS AND ADVANCES							
(Unsecured, considered good)							
Advances recoverable in cash or in kind or for value to be received.	60.22	20.65	14.68	15.94	5.88	3.01	0.07
Other Deposits	102.84	51.38	37.58	32.60	3.51	0.75	0.21
Dues from Subsidiaries:							
- Loan	7.31	1.39	1.46	1.35	1.30	-	-
- Other Debts	6.47	0.06	0.08	0.05	0.46	-	-
Advance income tax & tax deducted at source	536.55	406.48	320.43	187.54	79.07	11.98	0.59
	713.39	**479.96**	**374.23**	**237.48**	**90.22**	**15.74**	**0.87**

ONMOBILE GLOBAL LIMITED

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Annexure 11 - Restated Schedule of Secured Loan

(Amount in Rs. Million)

	As at Sep 30, 2007	As at March 31, 2007	As at Sep 30, 2006	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at December 31, 2002
Secured Loan							
Working Capital loan from Kotak Mahindra Bank		-	-	-	-	-	-
(Hypothecated against all existing and future receivables and movable fixed assets of the Company, rate of interest - PLR less 4.75%, repayable in six equal instalments between 65 to 90 days.)							
	300.00	**-**	**-**	**-**	**-**	**-**	**-**

ONMOBILE GLOBAL LIMITED

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Annexure 12 - Restated Schedule of Current Liabilities and Provisions

(Amount in Rs. Million)

	As at Sep 30, 2007	As at March 31, 2007	As at Sep 30, 2006	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at December 31, 2002
CURRENT LIABILITIES & PROVISIONS							
Current liabilities:							
Sundry creditors							
- for capital items- due to Holding company	66.67	73.29	78.84	78.77	87.22	96.48	2.54
- for capital items- due to others	109.08	36.05	5.46	21.20	1.68	1.32	-
- for expenses	222.87	124.38	176.65	63.37	18.37	4.90	2.36
- due to Subsidiaries	7.64	8.15	7.15	2.77	-	-	-
Deferred revenue	6.47	1.08	1.56	-	2.86	0.95	-
Credit balance in bank account		-		-	21.08	1.84	1.02
Other liabilities	103.51	51.55	51.17	4.09	0.39	1.11	0.58
Total Current liabilities	**516.24**	**294.50**	**320.83**	**170.20**	**131.60**	**106.60**	**6.50**
Provisions:							
Income Tax	497.58	376.58	281.51	211.97	89.40	11.30	0.24
Fringe Benefit Tax (Net)	4.13	3.25	1.47	-	-	-	-
Employee Benefits	39.91	9.34	6.94	2.72	1.39	1.54	0.41
Other Provisions	91.40	34.90	40.88	2.86	2.48	4.78	0.40
	633.02	**424.07**	**330.80**	**217.55**	**93.27**	**17.62**	**1.05**
Total	**1,149.26**	**718.57**	**651.63**	**387.75**	**224.87**	**124.22**	**7.55**

ONMOBILE GLOBAL LIMITED

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Annexure 13 - Restated Schedule of Share Capital

(Amount in Rs. Million except for no. of shares)

	As at Sep 30, 2007	As at March 31, 2007	As at Sep 30, 2006	As at March 31, 2006	As at March 31, 2005	As at March 31, 2004	As at December 31, 2002
SHARE CAPITAL							
AUTHORISED							
Equity Shares of Rs. 10 each	745.00	45.00	30.00	30.00	30.00	30.00	30.00
0%, Non-Cumulative Redeemable Preference Shares of Rs. 10 each	-	-	-	20.00	20.00	20.00	20.00

Preference Shares of Rs. 10 each	5.00	5.00	20.00	-	-	-	-
	750.00	50.00	50.00	50.00	50.00	50.00	50.00
ISSUED, SUBSCRIBED AND PAID UP IN VALUE							
Equity Shares of Rs. 10 each, fully paid up	487.93	33.00	23.22	10.00	10.00	10.00	10.00
0%, Non - Cumulative Redeemable Preference Shares of Rs. 10 each, fully paid up	-	-	-	12.87	12.87	12.87	12.87
Preference Shares of Rs. 10 each, fully paid up	-	3.54	3.54	-	-	-	-
Share application money pending allotment	-	-	0.04	0.05	0.03	-	-
	487.93	**36.54**	**26.80**	**22.92**	**22.90**	**22.87**	**22.87**
ISSUED, SUBSCRIBED AND PAID UP IN QUANTITY							
Equity Shares of Rs. 10 each	48,792,783	3,300,207	2,322,458	1,000,000	1,000,000	1,000,000	1,000,000
0%, Non-Cumulative Redeemable Preference Shares of Rs. 10 each	-	-	-	1,287,189	1,287,189	1,287,189	1,287,189
Preference Shares of Rs. 10 each	-	353,629	353,629	-	-	-	-
Shares held by Holding Company OnMobile Systems Inc.,							
Equity Shares of Rs. 10 each	29,733,197	2,287,169	2,287,169	999,980	999,980	999,980	999,980
0%, Non-Cumulative Redeemable Preference Shares of Rs. 10 each	-	-	-	1,287,189	1,287,189	1,287,189	1,287,189

Notes:

1) Non-cumulative, Redeemable Preference Shares issued during 2000-01 are not eligible for any dividend and are convertible at the option of the investor at the end of 5 years, from the date of allotment or at the time of an Initial Public Offer, whichever is earlier, into Equity Share capital. In terms of the issue, during the year, non cumulative, redeemable preference sharees have been converetd into equity shares of Rs. 10/- each fully paid up.

2) Preference Shares issued during the year with rights to dividend ranking in pari passu with the Equity Shares being convertible at any time on or before the occurrence of the Initial Public Offer or a liquidity event as defined in the investor agreement .

3) In the year 2007-08 and 2006-07, 567,749 and 5,068 Equity Shares were issued to erstwhile shareholders of ITfinity