

# Notes to financial statements

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

## 1 Company overview

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

## 2 Significant accounting policies

### Basis of presentation of these standalone financial statements

#### a. Statement of compliance

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

The financial statements are approved for issue by the Company's Board of Directors on May 24, 2019.

These standalone financial statements have been prepared for the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date, March 31, 2019.

#### b. Basis of Measurement

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

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

#### c. Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular,

information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the significant effect on the amounts recognized in the financial statements.

#### Judgements

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

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

#### Assumptions and estimation uncertainties

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

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

#### d. Functional and presentation currency

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

#### e. Foreign currency transactions and balances

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

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

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

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

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

### f. Investment in subsidiaries and associates

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

### g. Cash flow

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

### h. Cash and cash equivalents

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

### Cash dividend to equity holders

The Company recognises a liability to make cash to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity. Interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

### i. Financial instruments

#### Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial

assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

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

#### Classification and subsequent measurement

##### Financial assets

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

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

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

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

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

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

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

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment- by- investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial

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assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

*Financial assets: Subsequent measurement and gains and losses*

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

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

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

at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit and loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

### Derecognition

#### Financial assets

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

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

#### Financial liabilities

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

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

### Offsetting

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

### Derivative financial instruments

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

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

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

Property, plant and equipment and intangible assets are stated at cost of acquisition including taxes, duties, freight directly attributable to make the asset ready for its intended use and other incidental expenses relating to acquisition and installation less accumulated depreciation and accumulated impairment losses, if any.

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

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

Subsequent expenditure on assets after its purchase is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. Assets retired from active use and held for sale are stated at the lower of their net book value and realisable value and disclosed separately.

Capital work in progress is stated at cost and includes the cost of the assets that are not ready for their intended use at the Balance Sheet date.

### k. Depreciation and amortisation

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

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

The estimated useful lives are as follows:

Category of Asset	No. of years
Leasehold improvements	Primary lease period of 3 years -5 years
Buildings	61 years
Office equipments	3 years
Computers and electronic equipments	3 years-6 years
Furniture and fixtures	3 years
Motor cars	3 years
Softwares	3 years
Intellectual property rights	3 years
Market development and deployment rights	Over the term of the agreement

The estimated useful life of the assets are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Individual assets costing less than ₹ 5,000 are depreciated in full in the year of purchase.

### l. Leasing

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

#### As lessor

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

#### As lessee

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

### m. Revenue from contracts with customers

The Company has implemented new standard Ind-AS 115 'Revenue from Contracts with Customers' effective April 1, 2018 using cumulative method. Accordingly standard is applied retrospectively only to contracts that are not completed as at the date of initial application and comparative information presented for year ended March 31, 2018 has not been restated i.e. it is presented, as previously reported, under Ind-AS 18, Ind-AS 11 and related interpretations. The Group has evaluated its open arrangements and concluded that the new standard does not have any material impact.

Revenue from Telecom Value Added Services, net of credit notes, is recognized when a promise in a customer contract (performance obligation) has been satisfied by transferring control as per the terms of revenue sharing arrangements. Control over a promised services refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those services. Control is usually transferred when services are received and used. The amount of revenue to be recognized (transaction price) is based on the consideration expected to be received in exchange for services, net of taxes directly

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linked to sales. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices.

Revenue from sale of user licences for software application is recognized at point in time when the applications are functionally installed at the customer's location and customer obtains the control of asset as per the terms of the contracts.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

The Company recognises a deferred income (contract liability) if consideration has been received (or has become receivable) before the Group transfers the promised goods or services to the customer. Deferred income mainly relates to remaining performance obligations in (partially) unsatisfied long-term contracts or are related to amounts the Group expects to receive for goods and services that have not yet been transferred to customers under existing, non-cancellable or otherwise enforceable contracts.

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

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

Dividend on current investments is recognized on an accrual basis when the right to receive payment is established. Profit on sale of investments is recorded on transfer of title from the Company and is determined as the difference between the sale price and the carrying value of the investment.

### o. Interest income

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

### p. Employee benefits

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

a) Short term Obligations: Short-term employee benefits include salaries, social security contributions, short term compensated absences (such as paid annual leave where the absences are expected to occur within twelve months after the end of the period in which the employees render the related employee service), profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the

related services and non monetary benefits (such as medical care) etc, for current employees are estimated and measured on an undiscounted basis.

### b) Defined contribution plan

The Company's contribution to provident fund, employee state insurance scheme, social security etc are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees.

### c) Defined benefit plan

Post employment benefit plans other than defined contribution plans include liabilities for gratuity funded in terms of a scheme administered by the Life Insurance Corporation of India, is determined by using projected unit credit method with actuarial valuation made at the end of each financial year. Provision for liabilities pending remittance to the fund is carried in the balance sheet.

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

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

d) Long-term liability for compensated absences is provided based on actuarial valuation of the accumulated leave credit outstanding to the employees as on the Balance Sheet date. The Company recognizes actuarial gains and losses immediately in the statement of profit and loss.

### q. Share based payments

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

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

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

### r. Earnings per share

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

### s. Income taxes

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

- a) Current Tax: Provision for current tax is made taking into account the admissible deductions/allowances and is subject to revision based on the taxable income for the fiscal year ending 31 March each year. Provision for taxation includes tax liabilities in India on the Company's global income as reduced by exempted income and any tax liabilities arising overseas on income sourced from those countries.
- b) Deferred Tax: Deferred tax is recognised using balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base if assets and liabilities and their carrying amount in the financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

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

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

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

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

### t. Impairment of non-financial assets

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

### u. Provisions

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

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

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

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

#### Ind AS 116 – Leases

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2019, notifying Ind AS 116 'Leases' (New Revenue Standard), which replaces Ind AS 17 'Leases', including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 01, 2019. Ind AS 116 sets out the principles for the

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recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt these standards, if applicable, when they become effective. As the Standalone does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its Standalone Financial Statements.

### **Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments**

On March 30, 2019, the Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax credits and tax rates, when there is uncertainty over Income Tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatments, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (or loss), tax base, unused tax losses, unused tax credits and tax rates.

The standard permits two possible method of transition – i) Full retrospective approach- Under this approach,

Appendix C will be applied retrospectively to each reporting period presented in accordance with Ind AS 8 – Accounting policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual period beginning on or after April 01, 2019. The Company will adopt the standard on April 01, 2019 and has decided to adjust the cumulative effect in equity on initial application i.e. April 01, 2019 without adjusting comparatives.

The effect of adoption of Ind AS 12 Appendix C would be insignificant in the consolidated financial statements.

### **Amendments to Ind AS 12- Income taxes**

On March 30, 2019, the Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarified that an entity shall recognize the income tax consequences of dividend in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 01, 2019. The Company is currently evaluating the effect of this amendment on the consolidated financial statements.

### **Amendment to Ind AS 19- plan amendment, curtailment or settlement**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendment require an entity:

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognize in profit or loss as part of past of service cost, or a gain or loss on settlement, any reduction in a surplus, even is that surplus was not previously recognized because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 01, 2019. The Company does not have any impact on account of this amendment.

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### 3. Tangible and Intangible Assets

Description of Assets	Property, plant and equipment						Intangible Assets				
	Buildings - freehold	Leasehold improvements	Computers and electronic equipments	Office equipment	Furniture and fixtures	Vehicles - freehold	Total	Computer software	Intellectual property rights	Market development and deployment rights	Total
<b>I. Gross carrying amount</b>											
<b>Balance at April 1, 2017</b>	106.75	114.49	2,025.50	33.88	36.73	12.03	2,329.38	750.28	181.90	2,717.09	3,649.27
Additions	-	-	49.75	-	0.02	-	49.77	2.35	-	-	2.35
Less: Disposals	-	-	16.29	-	-	6.85	23.14	-	-	-	-
<b>Balance at March 31, 2018</b>	<b>106.75</b>	<b>114.49</b>	<b>2,058.96</b>	<b>33.88</b>	<b>36.75</b>	<b>5.18</b>	<b>2,356.01</b>	<b>752.63</b>	<b>181.90</b>	<b>2,717.09</b>	<b>3,651.62</b>
Additions	-	-	38.34	0.02	-	-	38.36	-	-	-	-
Less: Disposals	106.75	13.11	160.55	0.25	1.47	5.18	287.31	-	-	-	-
<b>Balance at March 31, 2019</b>	<b>-</b>	<b>101.38</b>	<b>1,936.75</b>	<b>33.65</b>	<b>35.28</b>	<b>-</b>	<b>2,107.06</b>	<b>752.63</b>	<b>181.90</b>	<b>2,717.09</b>	<b>3,651.62</b>
<b>II. Accumulated depreciation and impairment</b>											
<b>Balance at April 1, 2017</b>	16.90	95.46	1,808.34	33.49	36.24	10.32	2,000.75	744.30	181.90	2,717.09	3,643.29
Depreciation / amortisation expense for the year	1.75	17.84	96.63	0.24	0.28	0.38	117.12	4.18	-	-	4.18
Less: Disposals	-	-	11.84	-	-	5.52	17.36	-	-	-	-
<b>Balance at March 31, 2018</b>	<b>18.65</b>	<b>113.30</b>	<b>1,893.13</b>	<b>33.73</b>	<b>36.52</b>	<b>5.18</b>	<b>2,100.51</b>	<b>748.48</b>	<b>181.90</b>	<b>2,717.09</b>	<b>3,647.47</b>
Depreciation / amortisation expense for the year	0.14	1.12	63.61	0.11	0.18	-	65.16	2.34	-	-	2.34
Less: Disposals	18.79	13.11	160.18	0.25	1.47	5.18	198.98	-	-	-	-
<b>Balance at March 31, 2019</b>	<b>-</b>	<b>101.31</b>	<b>1,796.56</b>	<b>33.59</b>	<b>35.23</b>	<b>-</b>	<b>1,966.69</b>	<b>750.82</b>	<b>181.90</b>	<b>2,717.09</b>	<b>3,649.81</b>
<b>Net block (I-II)</b>											
Balance at March 31, 2019	-	0.07	140.19	0.06	0.05	-	140.37	1.81	-	-	1.81
Balance at March 31, 2018	88.10	1.19	165.83	0.15	0.23	-	255.50	4.15	-	-	4.15



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	As at March 31, 2019		As at March 31, 2018	
	No. of Units	Amount	No. of Units	Amount
<b>FINANCIAL ASSETS</b>				
<b>4. Non-current investments</b>				
<b>Investments (At cost)</b>				
<b>Unquoted investments (fully paid-up) in equity shares of:</b>				
<b>Wholly owned subsidiaries:</b>				
OnMobile Singapore Pte. Ltd., Singapore	3,674,071	126.56	4,485,000	154.49
PT OnMobile Indonesia	-	-	1,000	4.06
Onmobile Europe B.V., Netherlands	3,817,935	1,046.90	3,817,935	1,046.90
OnMobile USA LLC, USA	255,673	1,798.17	20,100	91.51
Servicios De Telefonía Onmobile Sa De Cv, Mexico	1,829,877	6.86	1,829,877	6.86
OnMobile Global S A, Argentina	2,073,850	25.63	2,073,850	25.63
OnMobile Brasil Sistemas DeValor Agregado Para Comunicacoes Moveis Ltda	2,365,109	65.64	2,365,109	65.64
OnMobile Global for Telecommunications Services, Egypt	500	0.38	500	0.38
OnMobile Bangladesh Private Limited	720,000	5.09	720,000	5.09
Onmobile Global Spain, S.L.U.	961,000	81.90	961,000	81.90
OnMobile Kenya Telecom Limited	500,000	41.50	500,000	41.50
OnMobile Zambia Telecom Limited	781,500	8.24	781,500	8.24
OnMobile Madagascar Telecom Limited	10,000	1.08	10,000	1.08
OnMobile Telecom Limited, Malawi	10,000	0.81	10,000	0.81
OnMobile Uganda Limited	10,000	13.51	10,000	13.51
OnMobile Global Italy S.R.L.	10,000	0.71	10,000	0.71
OnMobile Turkey Telekomunikasyon Sistemleri Limited Sirketi	100	0.27	100	0.27
OnMobile Portugal SGPS, Unipessoal LDA (Zona Franca Da Madeira)	5,000	0.79	5,000	0.79
OnMobile Ghana Telecom Limited	95,000	2.94	95,000	2.94
OnMobile Telecom Sierra Leone Limited	1,000,000	1.01	1,000,000	1.01
OnMobile Rwanda Telecom Limited	500	0.05	500	0.05
OnMobile Global Czech Republic S.R.O	2,490,200	7.85	200,000	0.65
OnMobile Nigeria Telecom Limited	2,500,000	0.98	2,500,000	0.98
OnMobile Telecom Burkina Faso, S.A.R.L.	100	0.13	100	0.13
OnMobile Global Solutions Canada Limited	10,000	0.54	10,000	0.54
OnMobile Global Limited Colombia S.A.S.	544,073,765	15.90	544,073,765	15.90
OnMobile Global South Africa (Pty) Ltd. *	100	-	100	-
<b>Associate:</b>				
Mobile Voice Konnect Private Limited	5,000	0.05	5,000	0.05
<b>Other entity:</b>				
Turaco Mobile Private Limited	-	-	1,600	0.02
<b>Total unquoted investments at cost</b>		<b>3,253.49</b>		<b>1,571.64</b>
Less: Provision for Impairment of Investment in Onmobile Europe B.V., OnMobile Global Czech Republic S.R.O and OnMobile Portugal SGPS, Unipessoal LDA (Zona Franca Da Madeira)		568.11		559.48
		<b>2,685.38</b>		<b>1,012.16</b>
* Represents amount less than Rupees one million				
Aggregate amount of unquoted investments		3,253.49		1,571.64
Aggregate amount of impairment in value of investments		568.11		559.48

No strategic investments were disposed off during the year, and there were no transfer of any cumulative gain/loss within equity relating to these investments.

## Notes to financial statements

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

	As at March 31, 2019		As at March 31, 2018	
	No. of Units	Amount	No. of Units	Amount
<b>5. Current investment</b>				
<b>Investments in mutual funds (quoted) (FVTPL)</b>				
Baroda Pioneer Liquid Fund - Plan B Daily Dividend	119,039	256.12	66,049	66.18
Kotak Money Market Scheme - Direct Plan Growth	32,719	100.99	-	-
Kotak Low Duration Fund- Regular Plan - Weekly Dividend	-	-	225,723	229.63
HDFC Floating Rate Income Fund - Short Term Plan- Dividend	-	-	22,106,890	222.86
Kotak Liquid Direct Plan Growth	63,592	240.65	-	-
Reliance Liquid Fund - Direct Plan growth plan – Growth Option	70,568	321.92	-	-
Reliance Money Market Fund - Direct Growth Plan Growth Option	35,744	101.49	-	-
Reliance Medium Term Fund- Daily Dividend	-	-	17,819,809	304.81
Tata Liquid Fund Direct Plan - Growth	91,599	269.71	-	-
Invesco India Liquid Fund - Direct Plan Growth	31,977	82.26	-	-
Axis Liquid Fund - Direct Growth	94,668	196.30	-	-
IDFC Ultra Short Term Fund -Regular Plan- Daily Dividend	-	-	15,908,405	160.31
ICICI Prudential Liquid Fund - Direct Plan - Growth	884,067	244.37	-	-
ICICI Prudential Flexible Income - Regular Plan - Daily Dividend	-	-	2,076,063	219.51
<b>Investments in Non Convertible Debenture (Unquoted) (Amortised cost)</b>				
HDFC Ltd- 8.38% Non-Convertible Debentures (March 31, 2018- Nil)	-	102.69	-	-
<b>Aggregate amount of investments</b>		<b>1,916.50</b>		<b>1,203.30</b>
Aggregate amount of quoted investments		1,813.81		1,203.30
Aggregate amount of unquoted investments		102.69		-
<b>6. Trade receivables</b>				
(Unsecured)				
Considered good		423.42		554.50
Credit impaired		169.50		189.53
Less: Loss allowance		(169.50)		(189.53)
		<b>423.42</b>		<b>554.50</b>
Note:				
Trade receivables include due from related parties (Refer Note 33)		24.60		16.77
<b>Movement in the expected credit loss:</b>				
Balance at the beginning of the year		189.53		185.60
Movement in loss allowance on trade receivables calculated at lifetime expected credit losses*		(20.03)		3.93
<b>Provision at the end of the year</b>		<b>169.50</b>		<b>189.53</b>
*Include foreign exchange fluctuation				
<b>7. Loans - non-current</b>				
(Unsecured, considered good)				
Security deposits		62.30		65.43
Loans to subsidiaries (Refer Note 33)		21.71		1,133.66
		<b>84.01</b>		<b>1,199.09</b>
<b>8 Loans - current</b>				
Security deposits		4.85		4.78
		<b>4.85</b>		<b>4.78</b>

## Notes to financial statements

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

	As at March 31, 2019		As at March 31, 2018	
		Amount		Amount
<b>9. Other financial assets - non-current</b>				
Advances to employees		1.02		1.04
Other receivables from subsidiaries (Refer Note 33)		238.45		224.18
		239.47		225.22
Less: Allowance for other financial assets		(121.70)		(73.84)
		<b>117.77</b>		<b>151.38</b>
<b>10. Other financial assets - current</b>				
Unbilled revenue (Refer Note 33)		643.14		1,089.98
Other receivables from subsidiaries (Refer Note 33)		468.78		635.90
Advances to employees		13.44		14.75
Accrued interest on deposits		4.20		7.66
Derivative assets		-		-
		<b>1,129.56</b>		<b>1,748.29</b>
Less: Allowance for other financial assets		(211.58)		(240.24)
		<b>917.98</b>		<b>1,508.05</b>
<b>11. a. Cash and cash equivalents</b>				
Cash on hand		0.04		0.03
Balances with bank :				
- In current accounts		287.89		253.98
- In deposit accounts		6.95		441.45
		<b>294.88</b>		<b>695.46</b>
<b>b. Other bank balances</b>				
- Earmarked balances				
- Margin money on bank guarantees		11.91		48.69
		<b>11.91</b>		<b>48.69</b>
<b>12. Other non-current assets</b>				
(Unsecured, considered good)				
Capital advances		-		0.88
Balances with statutory authorities		162.84		162.72
Fringe benefit tax (net of provisions)		0.70		0.70
		<b>163.54</b>		<b>164.30</b>
<b>13. Other current assets</b>				
(Unsecured, considered good)				
Prepaid expenses		53.20		45.94
Balances with statutory authorities		45.14		41.07
Advances to vendors		11.88		14.53
		<b>110.22</b>		<b>101.54</b>

## Notes to financial statements

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

	As at March 31, 2019		As at March 31, 2018	
		Amount		Amount
<b>14. Share capital</b>				
<b>Authorised</b>				
Equity shares of ₹10 each		1,495.00		1,495.00
149,500,000 (March 31, 2018 - 149,500,000)				
Preference shares of ₹10 each		5.00		5.00
500,000 (March 31, 2018 - 500,000)				
		<b>1,500.00</b>		<b>1,500.00</b>
<b>Issued, subscribed and fully paid up</b>				
Equity shares of ₹10 each fully paid		1,056.96		1,055.71
105,696,202 (March 31, 2018 - 105,570,836)				
		<b>1,056.96</b>		<b>1,055.71</b>

### Notes:

#### A) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

	As at March 31, 2019		As at March 31, 2018	
	Number of Shares	Amount	Number of Shares	Amount
<b>Equity shares with voting rights</b>				
Opening balance	105,570,836	1,055.71	104,350,090	1,043.50
Add: Share issued on exercise of stock options	125,366	1.25	1,220,746	12.21
<b>Closing balance</b>	<b>105,696,202</b>	<b>1,056.96</b>	<b>105,570,836</b>	<b>1,055.71</b>

#### B) Particulars of shareholders holding more than 5% of the shares of the company

	Number of Shares	%	Number of Shares	%
<b>Equity shares with voting rights</b>				
OnMobile systems Inc	50,923,703	48.18	50,923,703	48.24

#### C) Aggregate number of shares allotted as fully paid up pursuant to contracts without payment being received in cash, bonus shares and buyback of shares for the period of five years immediately preceding the balance sheet date:

- During the year ended March 31, 2015 after obtaining approval of the shareholders and completion of the formalities prescribed for buy-back of equity shares u/s 68 of the Companies Act, 2013, the company bought back 5,800,000 equity shares of ₹ 10 each by utilising the securities premium account. Capital redemption reserve has been created out of security premium pccount for ₹ 58.00 Million being the nominal value of equity shares bought back in terms of Sec.68 of the Companies Act, 2013.
- The Company had made a public announcement on February 11, 2016 for buy back of maximum 5,600,000 equity shares of ₹ 10 each for an amount not exceeding Rs 700 Million. As on March 31, 2016, the buy back of 1,532,594 equity shares for Rs 176.37 Million was finalised and executed by utilising the securities premium account. Capital redemption reserve has been created out of security premium account for ₹ 15.33 Million being the nominal value of equity shares bought back in terms of Sec.68 of the Companies Act, 2013.

During the year ended March 31, 2017, the Company completed the above referred buy-back of equity shares and bought back 4,067,406 equity shares of ₹10 each by utilising the securities premium account. Capital redemption reserve has been created out of security premium account for ₹ 40.67 Million being the nominal value of equity shares bought back in terms of Sec.68 of the Companies Act, 2013.

## Notes to financial statements

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

D) Total number of options outstanding under various employee stock option plans, that are convertible into equity shares, as on March 31, 2019 are 3,638,178 (at March 31, 2018: 4,581,624) (Refer Note 32).

### E) Rights and restrictions attached to equity shares:

The Company has only one class of equity shares with voting rights (one vote per share). The dividend proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting. In the event of liquidation of the Company the equity shareholders are entitled to receive only the residual assets of the Company. The distribution of dividend is in proportion to the number of equity shares held by the shareholders.

	As at March 31, 2019	As at March 31, 2018
<b>15. Other equity</b>		
<b>Capital redemption reserve</b>	154.00	154.00
Amount equal to the cancellation of the Company's own equity instruments is transferred to Capital redemption reserve		
<b>Securities premium account</b>	2,403.49	2,399.26
Amount received on issue of shares in excess of par value has been classified as securities premium		
<b>Stock options outstanding</b>	142.53	124.06
The share option outstanding account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to share premium upon exercise of stock options by employees.		
<b>General reserve</b>	13.20	13.20
This reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.		
<b>Retained earnings</b>	3,481.65	3,344.77
Retained earnings comprise of the Company's prior years' undistributed earnings.		
<b>Other comprehensive income</b>	18.13	8.94
Other comprehensive income consists of currency translation and re-measurement of net defined benefit liability/asset.		
	<b>6,213.00</b>	<b>6,044.23</b>
<b>Distributions proposed:</b>		
The Board of Directors at its meeting held on May 24, 2019 have recommended, subject to approval of shareholders, a dividend of ₹ 1.50 per equity share of ₹ 10 each. If approved, this would result in a cash outflow of approximately ₹ 191.13 Million, inclusive of dividend distribution tax.		
<b>FINANCIAL LIABILITIES</b>		
<b>16. Trade payable</b>		
Total outstanding dues of micro enterprises and small enterprises (Refer Note 37)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer Note 33)	903.33	986.07
	<b>903.33</b>	<b>986.07</b>
<b>17. Provisions - non-current</b>		
Provision for employee benefits:		
Provision for compensated absences (Refer Note 30)	38.06	34.32
	<b>38.06</b>	<b>34.32</b>

## Notes to financial statements

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

	As at March 31, 2019	As at March 31, 2018
<b>18. Provisions - current</b>		
Provision for employee benefits: (Refer Note 30)		
Provision for compensated absences	4.02	3.93
Provision for gratuity (Net)	33.52	15.79
	<u>37.54</u>	<u>19.72</u>
<b>19. Other financial liabilities</b>		
Payable on purchase of fixed assets:		
- Total outstanding dues of creditors	45.79	63.71
Other liabilities	23.01	30.74
	<u>68.80</u>	<u>94.45</u>
<b>20. Other current liabilities</b>		
Income received in advance/ unearned revenue	41.32	44.78
Statutory remittances	57.08	67.87
Advances from customers	-	8.33
	<u>98.40</u>	<u>120.98</u>
	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>21 Revenue from contracts with customers</b>		
The effect of initially applying IND AS 115 on the Company's revenue from contracts with customers is described in note 2(m).		
<b>A. Revenue Streams</b>		
The Company generates revenue primarily from rendering of telecom value added services to its customers.		
Telecom value added services	2,295.20	2,506.32
Other Operating revenue		
- Reimbursement of expenses (Net)	-	271.32
	<u>2,295.20</u>	<u>2,777.64</u>
<b>B. Disaggregation of revenue from contracts with customers</b>		
In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Company's reportable segments.		
<b>Primary geographical markets</b>		
India	1,005.90	1,487.30
Europe	535.89	666.86
Africa	517.26	421.46
Latin America and United States of America	84.98	132.24
Asia	151.17	69.78
	<u>2,295.20</u>	<u>2,777.64</u>

## Notes to financial statements

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

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Major products/service lines</b>		
Tones	824.30	958.90
Videos	280.70	427.90
Games	241.60	453.50
Contest	27.60	46.13
Others (includes income from services to related parties) (Refer Note 33)	921.00	891.21
	<b>2,295.20</b>	<b>2,777.64</b>
<b>Timing of revenue recognition</b>		
Products and services transferred at a point in time	2,295.20	2,777.64
	<b>2,295.20</b>	<b>2,777.64</b>
<b>C. Contract balances</b>		
The following table provides information about receivables and contract assets from contracts with customers.		
Trade receivables	423.42	
Contract assets	643.14	
Trade receivables are non interest bearing. The amount of trade receivables as at March 31, 2019 was impacted by an impairment provision of Rs 169.50 million. (Refer note 6)		
Contract assets includes unbilled revenue. The contract assets are transferred to trade receivables when the Company issues an invoice to the customer. (Refer note 10)		
<b>D. Performance obligations</b>		
In relation to information about Company's performance obligations in contracts with customers refer note 2(m)		
<b>22. Other income</b>		
Interest income on financial assets at amortised cost		
- From banks on deposits	16.90	23.23
- From subsidiaries on long term loans	29.69	47.57
- On income tax refund	0.04	33.96
Dividend income (Refer Note 33)	29.79	253.52
Profit on short term investments (including mark to market)	70.59	-
Profit on sale of investment in subsidiary	176.12	-
Foreign exchange gain/ (loss) (Net)	183.61	20.07
Other non- operating Income		
- Profit on sale of fixed assets (Net)	-	4.21
- Rental income from operating leases	0.61	7.16
- Miscellaneous income	10.87	5.58
	<b>518.22</b>	<b>395.30</b>

## Notes to financial statements

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

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>23. Contest expenses, cost of software licenses and others</b>		
Contest expenses	78.24	156.33
Cost of software licences and other charges	209.49	222.67
	<b>287.73</b>	<b>379.00</b>
<b>24. Employee benefit expenses</b>		
Salaries and wages	970.33	1,102.09
Share based payments (Refer Note 32)	19.99	34.59
Contractors expenses	16.11	17.11
Contribution to provident fund and other funds (Refer Note 30)	65.44	92.39
Workmen and staff welfare expenses	55.32	60.50
	<b>1,127.19</b>	<b>1,306.68</b>
<b>25. Finance cost</b>		
Interest on short term borrowings	0.43	1.06
	<b>0.43</b>	<b>1.06</b>
<b>26. Depreciation and amortisation expenses</b>		
Depreciation on property, plant and equipment	65.16	117.12
Amortisation of intangible assets	2.34	4.18
	<b>67.50</b>	<b>121.30</b>
<b>27. Other expenses</b>		
Power and fuel	25.68	26.78
Rent (Refer Note 31)	70.80	68.71
Insurance	8.67	6.96
Repairs and maintenance		
- Machinery	22.14	18.97
- Others	10.53	15.38
Office maintenance	29.36	30.41
Rates and taxes	4.57	10.53
Printing and stationery	1.72	1.73
Postage, courier and octroi	6.61	7.44
Communication charges	39.81	51.99
Training and recruitment expenses	9.84	9.03
Travelling and conveyance	113.31	119.98
Legal, professional & consultancy charges	103.87	100.72
Commission to non whole time directors	11.44	7.88
Remuneration to auditors (Refer Note below)	7.06	6.74
Marketing expenses	34.25	40.53
Business development expenses	168.59	194.41
Bad debts written off	85.37	13.31
Less: Provision for doubtful debts released	(85.37)	(13.31)
Provision for doubtful debts	70.20	16.97
Brokerage and commission	-	0.10
Corporate social responsibility (CSR) expenses (Refer note 36)	9.00	7.34
Bank charges	5.44	5.02
Loss on sale of assets	20.78	-
Miscellaneous expenses	1.59	1.60
	<b>775.26</b>	<b>749.22</b>



## Notes to financial statements

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

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Note:</b>		
<b>Auditor's remuneration</b>		
<b>As auditor:</b>		
Audit fee	2.85	2.85
Taxation matters	0.50	0.50
Other services*	2.90	2.38
Reimbursement of expenses and levies*	0.81	1.01
	<u>7.06</u>	<u>6.74</u>
*Previous year includes an amount of ₹1.29 million paid to erstwhile auditors.		
<b>28. Income taxes</b>		
Income tax expense in the statement of profit and loss consist of:		
<b>Current income tax:</b>		
In respect of current period	132.00	115.64
<b>Deferred tax</b>		
In respect of current period	(86.61)	(83.36)
<b>Income tax expense recognised in the statement of profit and loss</b>	<u>45.39</u>	<u>32.28</u>
<b>Income tax recognised in other comprehensive income</b>		
Net loss/(gain) on remeasurement of defined benefit plan	(2.21)	9.24
	<u>(2.21)</u>	<u>9.24</u>

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

	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax	373.41	421.24
Enacted income tax rate in India	34.94%	34.61%
computed expected tax expense	130.47	145.78
<b>Effect of:</b>		
Income that is exempt from tax	(84.98)	(82.27)
Expenses that are not deductible in determining taxable profit	37.33	14.41
Income subject to different tax rates	(20.04)	(25.06)
Others	(17.39)	(20.58)
<b>Income tax expense recognised in the statement of profit and loss</b>	<u>45.39</u>	<u>32.28</u>

The tax rates under Indian Income Tax Act for the year ended March 31, 2019 is 34.94% and March 31, 2018 is 34.61%

## Notes to financial statements

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

### Deferred tax

Deferred tax assets/(liabilities) as at March 31, 2019 are as follows:

	April 1, 2018	Recognised in profit and loss	Recognised in OCI	March 31, 2019
Difference between book and tax depreciation	35.80	15.32	-	51.12
Others (Provision for compensated absences, gratuity, doubtful debts etc.)	194.87	5.03	2.21	202.11
MAT credit entitlement	206.81	66.26	-	273.07
	<b>437.48</b>	<b>86.61</b>	<b>2.21</b>	<b>526.30</b>

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

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

### 29 A. Contingent liabilities

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

- Disputed Service tax ₹ 14.18 Million (March 31, 2018: ₹ 14.18 Million), disputed Income Tax ₹ 981.88 Million (March 31, 2018: ₹ 901.08 Million) and disputed Value added tax ₹ Nil Million (March 31, 2018: ₹ 25.62 Million).
- Claims against the Company not acknowledged as debt is ₹ 8.55 Million (March 31, 2018: 8.82 Million).
- The Company, in January 2018, received a Show Cause Notice (SCN) related to a potential Service tax liability of ₹ 999.50 million. Management has responded on the SCN and believes that they have strong case on merits and expect to challenge the SCN issued to defend its position.
- Other matters ₹ 3.48 Million (March 31, 2018- Nil)

### B. Capital commitments

Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for is ₹ 1.51 Million (at March 31, 2018: ₹ 8.83 Million).

### 30 Employee Benefits:

#### I Defined contribution plans

During the year the Company has recognized the following amounts in the statement of profit and loss:

Particulars *	For the year ended March 31, 2019	For the year ended March 31, 2018
Employer's contribution to provident fund	41.85	47.04
Contribution for foreign branches	8.83	9.05

\* Included in Note 24

## Notes to financial statements

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

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

#### Gratuity

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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Gratuity cost</b>		
Current service cost	10.67	10.36
Past service cost	-	20.94
Interest cost	7.47	7.21
Expected return on plan assets	(6.26)	(5.57)
	<b>11.88</b>	<b>32.94</b>
Actuarial (gain)/loss recognised in OCI	6.31	(26.71)
<b>Net gratuity cost</b>	<b>18.19</b>	<b>6.23</b>
<b>Assumptions</b>		
Discount rate	7.70% p.a	7.65% p.a
Salary increase	8% p.a. for first 6 years and 7.0% p.a thereafter	8% p.a. for first 6 years and 7.0% p.a thereafter

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

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

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

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Change in projected benefit obligations:</b>		
Obligation at the beginning of the year	97.68	96.87
Current service cost	10.67	10.36
Interest cost	7.47	7.21
Benefits paid	(21.02)	(10.67)
Actuarial (gain)/loss recognised in OCI	4.68	(27.03)
Past service cost	-	20.94
<b>Obligation at the end of the year</b>	<b>99.48</b>	<b>97.68</b>
<b>Change in plan assets:</b>		
Fair value of plan assets at the beginning of the year	81.89	74.82
Interest income	6.26	5.57
Actuarial gain/(loss) recognised in OCI	(1.63)	(0.32)
Contributions paid into the plan	0.46	12.49
Benefits paid	(21.02)	(10.67)
<b>Closing fair value of plan assets</b>	<b>65.96</b>	<b>81.89</b>

## Notes to financial statements

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

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

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of defined benefit obligation	(99.48)	(97.68)
Fair value of plan assets	65.96	81.89
<b>Asset / (liability) recognised</b>	<b>(33.52)</b>	<b>(15.79)</b>

### Sensitivity analysis

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

	At at March 31, 2019		At at March 31, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(11.28)	13.52	(11.05)	13.30
Future salary growth (1% movement)	9.05	(8.48)	9.26	(8.67)

Maturity profile of defined benefit obligation:

Particulars	As at March 31, 2019	As at March 31, 2018
Within 1 year	8.32	8.55
2-5 years	26.04	27.65
6-10 years	23.03	19.79
More than 10 years	263.19	261.26

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

Estimate of amount of contribution in the immediately next year ₹ 44.57 Million.

As at March 31, 2019 and March 31, 2018 100% of the plan assets were invested in insurer managed funds.

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

As at March 31, 2019, the weighted average duration of defined benefit obligation based on discounted cashflows is 13 years (March 31, 2018- 13 years)

### III Other long-term benefits

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

Particulars*	For the year ended March 31, 2019	For the year ended March 31, 2018
Compensated absences	10.58	(7.06)

\* Included in Note 24

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

## Notes to financial statements

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

### 31 Operating lease:

The Company is obligated under non-cancellable operating lease for office space. Total rental expense and future lease payments under non-cancellable operating lease for office space are as follows:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Expenses recognised in the Statement of Profit and Loss under non-cancellable operating lease	7.99	20.11
<b>Future minimum lease payments under non- cancellable operating leases:</b>		
Not later than 1 year	4.66	48.05
Later than 1 year and not later than 5 years	-	4.66
Additionally, the company lease office facilities under cancellable operating leases for office space.		
Rental expense under cancellable operating lease	62.81	48.60

### 32 Employee Stock Option Plans

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

Plan	Board approval date	Share holder's approval date	Total options appropriated before bonus	Terms of Vesting
OnMobile Employees Stock Option Plan – I 2003	31-Oct-03	Extra Ordinary General Meeting held on March 5, 2001, November 29, 2003 and December 30, 2003	1,026,000	25% of such Options granted would vest at the end of twelve (12) months from the date the Optionee becomes an employee of the Company and the remaining 75% would vest at a rate of 1/36th per month for the next thirty six (36) months from the first vesting.
OnMobile Employees Stock Option Plan – II 2003	04-Dec-03		114,000	
OnMobile Employees Stock Option Plan – III 2006	24-Jul-06	24-Jul-06	61,567	25% of such Options granted would vest at the end of twelve (12) months from the date the Optionee becomes an employee of the Company and the remaining 75% would vest at a rate of 1/36th per month for the next thirty six (36) months from the first Vesting.
OnMobile Employees Stock Option Plan – I 2007	12-Jul-07	17-Aug-07	975,000	25% of the Options granted would vest at the end of twelve (12) months from the date of the grant and the remaining 75% would vest at a rate of 1/36th per month for the next thirty six (36) months from the first Vesting.
OnMobile Employees Stock Option Plan-II 2007	12-Jul-07	17-Aug-07	74,360	65%, 30%, 3% and 2% of the options granted would vest at the end of one year, two years, three years and four years from the grant date, respectively.
OnMobile Employees Stock Option Plan – I 2008	18-Mar-08	18-Apr-08	26,000	100% of the Options would vest over a period of four years.
OnMobile Employees Stock Option Plan II 2008	31-Oct-08	01-Aug-08	100,000	100% of the options granted would vest at the end of two years.

## Notes to financial statements

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

Plan	Board approval date	Share holder's approval date	Total options appropriated before bonus	Terms of Vesting
OnMobile Employees Stock Option Plan III 2008	31-Oct-08	01-Aug-08	748,240	For 297,170 Options 50% of the options granted would vest at the end of one year and 25% of the options would vest on a monthly basis at the end of each of second and third years from the grant date respectively and for the balance 451,070 Options granted under the Plan the vesting would be 25% of the Options would vest at the end of one year and the rest of the options shall vest at the rate of 1/36th of the options shall vest every month for the next three years.
OnMobile Employees Stock Option Plan III 2008	29-Apr-09	01-Aug-08	113,150	25% of such Options granted would vest at the end of twelve (12) months from the date the Optionee becomes an employee of the Company and the remaining 75% would vest at a rate of 1/36th per month for the next thirty six (36) months from the first Vesting.
OnMobile Employees Stock Option Plan III 2008	31-Jul-09	01-Aug-08	26,680	25% of such Options granted would vest at the end of twelve (12) months from the date the Optionee becomes an employee of the Company and the remaining 75% would vest at a rate of 1/36th per month for the next thirty six (36) months from the first Vesting.
OnMobile Employees Stock Option Plan III 2008	26-Oct-09	01-Aug-08	75,000	25% of such Options granted would vest at the end of each year over a period of four years.
OnMobile Employees Stock Option Plan III 2008	28-Jan-10	01-Aug-08	68,500	25% of such Options granted would vest at the end of each year over a period of four years.
OnMobile Employees Stock Option Plan IV 2008	26-Sep-08	31-Oct-08	173,953	100% of such Options granted would vest at the end of one year.
OnMobile Employees Stock Option Plan I 2010	30-Apr-10	24-Jul-10	325,000	Vesting period shall be for a minimum of one (1) year and a maximum of four (4) years from the date of the Grant of stock option
OnMobile Employees Stock Option Plan II 2010	30-Apr-10	24-Jul-10	875,000	Vesting period shall be for a minimum of one (1) year and a maximum of four (4) years from the date of the Grant of stock option
Plan	Board approval date	Share holder's approval date	Total options appropriated	Terms of Vesting
OnMobile Employees Stock Option Plan 2011	30-Apr-11	04-Aug-11	1,150,000	Vesting period shall be for a minimum of one (1) year and a maximum of four (4) years from the date of the Grant of stock option
OnMobile Employees Stock Option Plan 1, 2012	07-May-12	29-Aug-12	3,000,000	Vesting period shall be for a minimum of one (1) year and a maximum of four (4) years from the date of the Grant of stock option
OnMobile Employees Stock Option Plan 1, 2013	15-May-13	30-Jul-13	1,500,000	Vesting period shall be for a minimum of one (1) year and a maximum of four (4) years from the date of the Grant of stock option

## Notes to financial statements

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

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

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	Number of Options	Weighted average exercise price (₹) per option	Number of Options	Weighted average exercise price (₹) per option
Options granted outstanding at the beginning of the year	4,581,624	63.68	5,486,705	58.18
Granted during the year	2,717,568	40.58	682,646	55.55
Exercised during the year	(125,366)	31.62	(1,220,746)	33.01
Forfeited during the year	(3,528,864)	72.06	(254,002)	77.77
Lapsed during the year	(6,784)	36.43	(112,979)	40.05
Options granted outstanding at the end of the year	3,638,178	39.45	4,581,624	63.68
Exercisable at the end of the period	1,319,212	37.06	3,136,200	57.98
Weighted average Share Price during the year (₹)		38.03		62.75
Weighted average remaining contractual life (years) at the year end	4.86 years		4.40 years	
Range of exercise price (after adjusting for bonus issue)	₹ 29.68 to ₹ 128.50		₹ 22.28 to ₹ 128.50	

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

Grant date	16 May 2018	26 Jul 2018	27 Jul 2018
Fair value as on grant date	16.38	18.61	18.08
Share price	40.18	43.90	42.88
Exercise price	40.18	43.90	42.88
Expected volatility (%)	54.67%	54.71%	54.75%
Expected life of the option (years)	4.34	4.34	4.34
Dividend yield (%)	4%	3%	3%
Risk-free interest rate (%)	7.65%	8.30%	8.30%

## Notes to financial statements

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

### 33 Transactions with related parties:

#### I List of Related parties and relationship:

SI No.	Relationship	Related parties
(i)	Subsidiaries	OnMobile Singapore Pte. Ltd. PT. OnMobile Indonesia (Liquidated) OnMobile SA. (subsidiary of OnMobile Europe B.V.) OnMobile Europe B.V. OnMobile Servicios Corporativos De Telefonía S.A. DE C.V. Servicios De Telefonía OnMobile, SA DE CV OnMobile USA LLC. OnMobile Global S A OnMobile Brasil Sistemas De Valor Agregado Para Comunicacoes Moveis Ltda OnMoible Global for Telecommunication Services OnMobile Senegal SARL OnMobile De Venezuela C.A. (subsidiary of OnMobile USA LLC) OnMobile Latam holdings SL (subsidiary of OnMobile USA LLC) OnMobile Mali SARL OnMobile Bangladesh Private Limited OnMobile Kenya Telecom Limited OnMobile Costa Rica OBCR, SA OnMobile Ghana Telecom Limited OnMobile Madagascar Telecom Limited OnMobile Nigeria Telecom Limited OnMobile Zambia Telecom Limited OnMobile Telecom Sierra Leone Limited OnMobile Tanzania Telecom Limited OnMobile Global Spain S.L OnMobile Uruguay S.A OnMobile Uganda Limited OnMobile Rwanda Telecom Limited OnMobile Global Italy S.R.L. OnMobile Telecom Limited Onmobile Turkey Telekomunikasyon Sistemleri Limited Şirketi Onmobile Telecom Burkina Faso, SARL OnMobile Portugal SGPS, Unipessoal LDA (Zona Franca Da Madeira) OnMobile Live Inc (subsidiary of OnMobile USA LLC) Fonestarz Media Group Limited (subsidiary of OnMobile Live Inc) 2dayUK Limited (subsidiary of OnMobile Live Inc) Fonestarz Media (licensing) Limited (subsidiary of OnMobile Live Inc) (Dissolved w.e.f January 22, 2019) Daius Limited (subsidiary of OnMobile Live Inc) (Dissolved w.e.f January 22, 2019) Fonestarz Limited (subsidiary of OnMobile Live Inc) (Dissolved w.e.f January 22, 2019) Livewire Mobile (Australia) PTY Limited (subsidiary of OnMobile Live Inc) (Dissolved w.e.f September 20, 2018) Fonestarz Media Limited (subsidiary of OnMobile Live Inc) (Dissolved w.e.f January 22, 2019) OnMobile Global Czech Republic s.r.o. OnMobile Global Limited Colombia S.A.S. OnMobile Global Solutions Canada Limited OnMobile Global South Africa (PTY) Limited Appland AB (Subsidiary of OnMobile Europe B.V.) (Acquired W.e.f October 11, 2018)



## Notes to financial statements

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

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

### II Transactions with Related Parties:

SI No	Nature of transactions	Subsidiary Companies		Key Management Personnel		Total	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>1</b>	<b>Income from services</b>						
	OnMobile Singapore Pte. Ltd.	122.97	55.59	-	-	122.97	55.59
	OnMobile Global for Telecommunication Services	96.36	57.50	-	-	96.36	57.50
	OnMobile Nigeria Telecom Limited	47.14	31.67	-	-	47.14	31.67
	OnMobile Global South Africa (PTY) Limited	114.64	87.71	-	-	114.64	87.71
	OnMobile Ghana Telecom Limited	-	0.21	-	-	-	0.21
	OnMobile Rwanda Telecom Limited	0.09	0.54	-	-	0.09	0.54
	OnMobile Costa Rica OBCR SA	2.59	6.00	-	-	2.59	6.00
	OnMobile Zambia Telecom Limited	14.93	10.33	-	-	14.93	10.33
	OnMobile Global Spain S.L	522.29	400.73	-	-	522.29	400.73
	OnMobile Bangladesh Private Limited	-	(30.39)	-	-	-	(30.39)
	<b>Total</b>	<b>921.01</b>	<b>619.89</b>	<b>-</b>	<b>-</b>	<b>921.01</b>	<b>619.89</b>
<b>2</b>	<b>Business Development expenses</b>						
	OnMobile USA LLC	68.83	88.52	-	-	68.83	88.52
	Onmobile Turkey Telekomunikasyon Sistemleri Limited Şirketi	-	5.52	-	-	-	5.52
	OnMobile Kenya Telecom Limited	27.08	26.50	-	-	27.08	26.50
	OnMobile Global Limited Colombia S.A.S.	-	15.96	-	-	-	15.96
	Servicios De Telefonía OnMobile SA DE CV	14.10	23.95	-	-	14.10	23.95
	OnMobile Uruguay S.A	25.85	-	-	-	25.85	-
	OnMobile Global Solutions Canada Limited	32.73	33.95	-	-	32.73	33.95
	<b>Total</b>	<b>168.59</b>	<b>194.40</b>	<b>-</b>	<b>-</b>	<b>168.59</b>	<b>194.40</b>

## Notes to financial statements

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

SI No	Nature of transactions	Subsidiary Companies		Key Management Personnel		Total	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>3</b>	<b>Transfer of Corporate Costs</b>						
	OnMobile Singapore Pte. Ltd.	-	16.05	-	-	-	16.05
	OnMobile Global Spain S.L	-	253.22	-	-	-	253.22
	OnMobile Costa Rica OBCR, SA	-	2.04	-	-	-	2.04
	<b>Total</b>	-	<b>271.31</b>	-	-	-	<b>271.31</b>
<b>4</b>	<b>Transfer of Data centre costs absorbed</b>						
	OnMobile USA LLC	38.08	37.33	-	-	38.08	37.33
	<b>Total</b>	<b>38.08</b>	<b>37.33</b>	-	-	<b>38.08</b>	<b>37.33</b>
<b>5</b>	<b>Remuneration to Key management personnel (Refer Note 3 below)</b>						
	Short-term employee benefits	-	-	23.29	26.08	23.29	26.08
	Share- based payment	-	-	2.49	2.67	2.49	2.67
	Others	-	-	19.14	16.08	19.14	16.08
	<b>Total</b>	-	-	<b>44.92</b>	<b>44.83</b>	<b>44.92</b>	<b>44.83</b>
<b>6</b>	<b>Dividend Income</b>						
	OnMobile Brasil Sistemas de Valor Agregado Para Comunicacoes Moveis Ltda	-	60.70	-	-	-	60.70
	OnMobile Bangladesh Private Limited	-	113.55	-	-	-	113.55
	OnMobile Singapore Pte. Ltd.	-	31.26	-	-	-	31.26
	<b>Total</b>	-	<b>205.51</b>	-	-	-	<b>205.51</b>
<b>7</b>	<b>Interest Income</b>						
	OnMobile Rwanda Telecom Limited	0.08	0.08	-	-	0.08	0.08
	Onmobile Turkey Telekomunikasyon Sistemleri Limited Şirketi	1.11	0.87	-	-	1.11	0.87
	OnMobile USA LLC	28.19	46.19	-	-	28.19	46.19
	OnMobile Portugal SGPS	0.11	0.12	-	-	0.11	0.12
	OnMobile Global Czech Republic s.r.o.	0.20	0.31	-	-	0.20	0.31
	<b>Total</b>	<b>29.69</b>	<b>47.57</b>	-	-	<b>29.69</b>	<b>47.57</b>
<b>8</b>	<b>Investments made during the year in</b>						
	OnMobile USA LLC.	474.99	-	-	-	474.99	-
	OnMobile USA LLC. (Loan Amount Converted to Equity)	1,231.67	-	-	-	1,231.67	-
	OnMobile Global Czech Republic s.r.o.	7.20	-	-	-	7.20	-
	<b>Total</b>	<b>1,713.86</b>	-	-	-	<b>1,713.86</b>	-
<b>9</b>	<b>Buy-back of investments during the year</b>						
	OnMobile Singapore Pte. Ltd.	204.06	-	-	-	204.06	-
	<b>Total</b>	<b>204.06</b>	-	-	-	<b>204.06</b>	-
<b>10</b>	<b>Investments Written off during the year</b>						
	PT OnMobile Indonesia	4.06	-	-	-	4.06	-
	<b>Total</b>	<b>4.06</b>	-	-	-	<b>4.06</b>	-
<b>11</b>	<b>Recovery of Expenses from</b>						
	OnMobile Singapore Pte. Ltd.	13.84	10.94	-	-	13.84	10.94
	<b>Total</b>	<b>13.84</b>	<b>10.94</b>	-	-	<b>13.84</b>	<b>10.94</b>

## Notes to financial statements

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

SI No	Nature of transactions	Subsidiary Companies		Key Management Personnel		Total	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>12</b>	<b>Reimbursement of Expenses to</b>						
	OnMobile S.A.	67.52	123.55	-	-	67.52	123.55
	<b>Total</b>	<b>67.52</b>	<b>123.55</b>	<b>-</b>	<b>-</b>	<b>67.52</b>	<b>123.55</b>
<b>13</b>	<b>Transfer of Fixed Assets, AMC, Content Cost, Freight and Insurance</b>						
	OnMobile Global South Africa (PTY) Limited	-	0.02	-	-	-	0.02
	OnMobile Kenya Telecom Limited	-	0.63	-	-	-	0.63
	OnMobile Global for Telecommunication Services	1.18	0.02	-	-	1.18	0.02
	OnMobile Nigeria Telecom Limited	-	0.02	-	-	-	0.02
	OnMobile Zambia Telecom Limited	-	0.01	-	-	-	0.01
	OnMobile Global Spain S.L.	-	1.67	-	-	-	1.67
	OnMobile USA LLC.	-	3.12	-	-	-	3.12
	<b>Total</b>	<b>1.18</b>	<b>5.49</b>	<b>-</b>	<b>-</b>	<b>1.18</b>	<b>5.49</b>
<b>14</b>	<b>Loans/ Advances Written Off</b>						
	OnMobile Singapore Pte. Ltd.	1.34	-	-	-	1.34	-
	OnMobile Mali SARL	8.48	-	-	-	8.48	-
	OnMobile Senegal SARL	4.80	-	-	-	4.80	-
	OnMobile Global Czech Republic s.r.o.	2.13	-	-	-	2.13	-
	<b>Total</b>	<b>16.75</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16.75</b>	<b>-</b>

### III Balances with Related Parties:

SI No	Nature of transactions	Subsidiary Companies		Key Management Personnel		Total	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>15</b>	<b>Trade Payables</b>						
	OnMobile Singapore Pte. Ltd.	34.97	37.55	-	-	34.97	37.55
	OnMobile S.A.	37.50	66.44	-	-	37.50	66.44
	Servicios De Telefonía OnMobile Sa De Cv	6.22	5.88	-	-	6.22	5.88
	OnMobile Brasil Sistemas de Valor Agregado Para Comunicacoes Moveis Ltda	21.42	20.19	-	-	21.42	20.19
	OnMobile Costa Rica OBCR SA	-	4.16	-	-	-	4.16
	OnMobile Live Inc	0.46	0.41	-	-	0.46	0.41
	Onmobile Telecom Burkina Faso, SARL	-	3.28	-	-	-	3.28
	OnMobile Kenya Telecom Limited	2.33	0.25	-	-	2.33	0.25
	OnMobile Senegal SARL	-	36.36	-	-	-	36.36
	OnMobile Madagascar Telecom Limited	4.44	4.63	-	-	4.44	4.63
	OnMobile Nigeria Telecom Limited	17.00	16.02	-	-	17.00	16.02
	OnMobile Rwanda Telecom Limited	5.35	5.34	-	-	5.35	5.34
	OnMobile Zambia Telecom Limited	6.60	7.84	-	-	6.60	7.84
	OnMobile Uruguay S.A	2.13	2.00	-	-	2.13	2.00
	Onmobile Turkey Telekomunikasyon Sistemleri Limited Şirketi	0.58	2.32	-	-	0.58	2.32
	OnMobile Global Spain S.L	40.72	42.18	-	-	40.72	42.18
	OnMobile Global Solutions Canada Limited	5.62	2.99	-	-	5.62	2.99
	<b>Total</b>	<b>185.34</b>	<b>257.84</b>	<b>-</b>	<b>-</b>	<b>185.34</b>	<b>257.84</b>

## Notes to financial statements

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

SI No	Nature of transactions	Subsidiary Companies		Key Management Personnel		Total	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>16</b>	<b>Amount Receivables under:</b>						
<b>a</b>	<b>Long term loans and advances</b>						
	OnMobile Rwanda Telecom Limited	1.38	1.30	-	-	1.38	1.30
	Onmobile Turkey Telekomunikasyon Sistemleri Limited Şirketi	18.12	17.60	-	-	18.12	17.60
	OnMobile Global Czech Republic s.r.o.	-	6.52	-	-	-	6.52
	OnMobile Portugal SGPS	-	4.01	-	-	-	4.01
	OnMobile USA LLC.	-	972.08	-	-	-	972.08
<b>b</b>	<b>Accrued interest</b>						
	OnMobile Rwanda Telecom Limited	0.10	0.02	-	-	0.10	0.02
	Onmobile Turkey Telekomunikasyon Sistemleri Limited Şirketi	2.11	0.95	-	-	2.11	0.95
	OnMobile Global Czech Republic s.r.o.	-	0.62	-	-	-	0.62
	OnMobile Portugal SGPS	-	0.54	-	-	-	0.54
	OnMobile USA LLC.	-	130.02	-	-	-	130.02
<b>c</b>	<b>Trade Receivables</b>						
	OnMobile Global South Africa (PTY) Limited	6.81	-	-	-	6.81	-
	OnMobile Nigeria Telecom Limited	17.79	16.77	-	-	17.79	16.77
<b>d</b>	<b>Other Financial Assets</b>						
	OnMobile Singapore Pte. Ltd.	11.55	34.01	-	-	11.55	34.01
	OnMobile Global for Telecommunication Services	110.88	161.55	-	-	110.88	161.55
	Servicios De Telefonía OnMobile Sa De Cv	61.27	94.04	-	-	61.27	94.04
	OnMobile De Venezuela C A	201.75	190.13	-	-	201.75	190.13
	OnMobile USA LLC.	90.54	121.72	-	-	90.54	121.72
	OnMobile Global South Africa (PTY) Limited	13.47	136.13	-	-	13.47	136.13
	OnMobile Brasil Sistemas de Valor Agregado Para Comunicacoes Moveis Ltda	5.66	5.36	-	-	5.66	5.36
	OnMobile Global SA	180.48	170.09	-	-	180.48	170.09
	OnMobile Kenya Telecom Limited	53.88	50.78	-	-	53.88	50.78
	OnMobile Mali SARL	-	9.39	-	-	-	9.39
	OnMobile Senegal SARL	-	41.29	-	-	-	41.29
	OnMobile Telecom Limited.	6.26	6.02	-	-	6.26	6.02
	OnMobile Costa Rica OBCR SA	4.55	10.37	-	-	4.55	10.37
	OnMobile Ghana Telecom Limited	11.85	11.46	-	-	11.85	11.46
	OnMobile Madagascar Telecom Limited	10.12	10.00	-	-	10.12	10.00
	OnMobile Nigeria Telecom Limited	163.71	110.09	-	-	163.71	110.09
	OnMobile Rwanda Telecom Limited	13.12	12.83	-	-	13.12	12.83
	OnMobile Uganda Limited	20.19	19.06	-	-	20.19	19.06

## Notes to financial statements

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

SI No	Nature of transactions	Subsidiary Companies		Key Management Personnel		Total	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	OnMobile Zambia Telecom Limited	13.70	20.78	-	-	13.70	20.78
	OnMobile Telecom (SL) Limited	8.20	7.79	-	-	8.20	7.79
	OnMobile Global Spain S.L	122.59	436.77	-	-	122.59	436.77
	OnMobile Uruguay S.A	7.14	7.65	-	-	7.14	7.65
	Onmobile Turkey Telekomunikasyon Sistemleri Limited Şirketi	4.14	4.11	-	-	4.14	4.11
	Onmobile Telecom Burkina Faso, SARL	1.99	23.67	-	-	1.99	23.67
	OnMobile Global Limited Colombia S.A.S.	12.87	14.04	-	-	12.87	14.04
	OnMobile Global Czech Republic s.r.o.	-	1.95	-	-	-	1.95
	OnMobile Bangladesh Private Limited	11.44	10.86	-	-	11.44	10.86
	OnMobile Live Inc	36.84	36.26	-	-	36.84	36.26
	OnMobile Tanzania Telecom Limited	6.57	5.66	-	-	6.57	5.66
	<b>Total</b>	<b>1,231.07</b>	<b>2,914.29</b>	<b>-</b>	<b>-</b>	<b>1,231.07</b>	<b>2,914.29</b>

### Notes:

- 1 Related party relationships are as identified by the Company on the basis of information available and relied upon by the auditors.
- 2 During the year, Provision of ₹ Nil (March 31, 2018: ₹ Nil) has been provided for expected credit loss on other financial assets from related parties. The total balance of provision for expected credit loss as on March 31, 2019: ₹ 333.28 Million (March 31, 2018: ₹ 314.08 Million)
- 3 Employment benefits excludes gratuity and compensated absences which cannot be separately identified from the composite amount advised by the actuary.

### 34 Financial instruments by category

Particulars	Carrying value		Fair value	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
<b>Financial assets</b>				
<b>Amortised cost</b>				
Loans	-	1,203.87	-	1,203.87
Trade receivables	-	554.50	-	554.50
Cash and cash equivalents	294.88	695.46	294.88	695.46
Other bank balances	11.91	48.69	11.91	48.69
Other financial assets	1,035.75	1,659.43	1,035.75	1,659.43
Investments	102.69	-	102.69	-
<b>FVTPL (Level 1)</b>				
Investments in mutual funds	1,813.81	1,203.30	1,813.81	1,203.30
<b>Total financial assets</b>	<b>3,259.04</b>	<b>5,365.25</b>	<b>3,259.04</b>	<b>5,365.25</b>
<b>Financial liabilities</b>				
<b>Amortised cost</b>				
Trade payables	903.33	986.07	903.33	986.07
Other financial liabilities	68.80	94.45	68.80	94.45
<b>Total financial liabilities</b>	<b>972.13</b>	<b>1,080.52</b>	<b>972.13</b>	<b>1,080.52</b>

# Notes to financial statements

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

## Fair value hierarchy

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

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

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

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

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

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

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

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

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

## Capital Management

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

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

## Financial risk management

The Company's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the company is foreign exchange risk along with credit risk and liquidity risk.

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

## Market Risk

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

### (i) Interest rate risk:

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

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

The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective foreign operations. The Company enters into forward foreign exchange contracts to hedge its exposure to foreign currency risk arising on the net export of services.

## Notes to financial statements

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

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

Particulars	As at March 31, 2019			
	USD	EURO	Other currencies*	Total
<b>Assets</b>				
Trade receivables	174.78	0.22	51.31	226.31
Cash and cash equivalents	79.24	47.23	140.83	267.30
Other Assets	1,188.86	91.23	360.18	1,640.27
<b>Liabilities</b>				
Trade payable	(73.54)	(26.29)	(97.28)	(197.11)
Other Liabilities	(186.70)	(83.28)	(97.82)	(367.80)
<b>Net assets/(liabilities)</b>	<b>1,182.64</b>	<b>29.11</b>	<b>357.22</b>	<b>1,568.97</b>

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

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

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

The Company is mainly exposed to USD and EUR for the year ended March 31,2019. Every 1% increase/decrease in the said currencies compared to Indian Rupee would impact profit and equity by 0.53%/(0.53%) and 0.17%/(0.17%) respectively. For the year ended March 31,2018 the impact on profit and equity was 1.08%/(1.08%) and 0.38%/(0.38%) respectively.

### Derivative financial instruments

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

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

Non designated derivative Instrument	As at March 31, 2019 Nominal Value	As at March 31, 2018 Nominal Value	Currency	As at March 31, 2019	As at March 31, 2018
	(In ₹ Mn)	(In ₹ Mn)		(Foreign Currency in Mn)	(Foreign Currency in Mn)
Forward Contract -(SELL)	51.87	260.71	USD/INR	0.75	4.00
Forward Contract -(SELL)	116.53	280.63	EUR/INR	1.50	3.50
<b>Total Forward contracts</b>	<b>168.40</b>	<b>541.34</b>		<b>2.25</b>	<b>7.50</b>

## Notes to financial statements

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

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

Particulars	As at March 31, 2019 Nominal Value	As at March 31, 2018 Nominal Value
Not later than 1 month	56.13	72.68
Later than 1 month but not later 3 months	112.27	145.36
Later than 3 month but not later 1 year	-	323.30
	<b>168.40</b>	<b>541.34</b>

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

- an approximately 0.07% increase and (0.07%) decrease in the Company's net profit and approximately 0.02% increase and (0.02%) decrease in equity as at March 31, 2019;
- an approximately 0.22% increase and (0.22%) decrease in the Company's net profit and approximately 0.08% increase and (0.08%) decrease in equity as at March 31, 2018;

### Credit risk

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

#### i) Trade and other receivables

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

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Revenue from top customer	283.40	402.65
Revenue from top 4 customers	984.50	1,311.31

4 customers accounted for more than 10% of the revenue. No other single customer contributed 10% or more of the Company's revenue for both 2018-19 and 2017-18.

#### ii) Investments

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

### Liquidity risk

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

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

Particulars	As at March 31, 2019	As at March 31, 2018
Trade payables	903.33	986.07
Other financial liabilities	68.80	94.45
<b>Total</b>	<b>972.13</b>	<b>1,080.52</b>



## Notes to financial statements

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

### 35 Earnings per share

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit after taxation as per the statement of profit and loss	328.02	388.96
Weighted average number of equity shares	105,657,444	104,850,937
Weighted average number of equity shares for basic EPS	105,657,444	104,850,937
Weighted average number of equity shares resulting from assumed exercise of employee stock options	-	10,919
Weighted average number of equity shares for diluted EPS	105,657,444	104,861,856
	₹	₹
Nominal value of equity shares	10.0	10.0
Earnings per share		
Basic	3.10	3.71
Diluted	3.10	3.71

36 Total expenditure required to be incurred and accordingly paid on Corporate Social Responsibility activities other than construction/acquisition of assets, as per the requirements of Section 135 of the Companies Act, 2013 during the year ended March 31, 2019 is Rs 9.00 Million (during the year ended March 31, 2018: ₹ 7.34 Million).

37 The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2019 has been made in the financials statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

Based on the information available with the Company, there are no dues to suppliers who are registered as micro, small or medium enterprises under The Micro, Small and Medium Enterprises Development Act, 2006 as at 31 March 2019.

Particulars	As at March 31, 2019	As at March 31, 2018
(i) The amounts remaining unpaid to micro and small supplier as at the end of each year:		
- Principal	-	-
- Interest	-	-
(ii) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
(iv) The amount of interest accrued and remaining un-paid at the end of each accounting year	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductibles expenditure under Section 23 of the MSMED Act, 2006	-	-

38 The Company prepares consolidated financial statements, hence as per Indian Accounting Standard 108 Operating Segments, segment information has not been provided in the standalone financial statements.

39 Exceptional item for the year ended March 31, 2019 includes amount provided towards impairment/ Write off of investment in OnMobile Global Czech Republic S.R.O and OnMobile Portugal SGPS, Unipessoal LDA (Zona Franca Da Madeira) and PT OnMobile Indonesia, wholly owned subsidiaries of the Company amounting to ₹12.70 Million.

40 The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 have not been made since the requirement does not pertain to financial year ended March 31, 2019.

As per our report of even date attached

For and on behalf of the Board of Directors

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

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

**Sampad Guha Thakurta**  
Partner  
Membership Number- 060573

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

**Sanjay Baweja**  
Director  
DIN- 00232126

**Ganesh Murthy**  
Chief Financial Officer

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

Place : Bengaluru  
Date : May 24, 2019

Place : Montreal, Canada  
Date : May 24, 2019