

# Justdial™

## JUST DIAL LIMITED

(Our Company was incorporated as A&M Communications Private Limited on December 20, 1993, at New Delhi, as a private limited company under the Companies Act, 1956, as amended (the "Companies Act"). Subsequently, the registered office of our Company was shifted to the State of Maharashtra and a certificate of registration of the order of the Company Law Board confirming transfer of the registered office from one state to another dated December 16, 2004 was issued by the Registrar of Companies, Maharashtra. The name of our Company was changed from A&M Communications Private Limited to Just Dial Private Limited on December 26, 2006. Further, our Company was converted into a public limited company on July 22, 2011 and consequently, the name of our Company was changed to Just Dial Limited. For details of changes in the registered office and name of our Company, please see the section "History and Certain Corporate Matters" on page 154.)

**Registered Office:** Palm Court, Building-M, 501/B, 5<sup>th</sup> Floor, Besides Goregaon Sports Complex, New Link Road, Malad (West), Mumbai 400 064

**Contact Person:** Sachin Jain, Company Secretary and Compliance Officer

**Tel:** (91 22) 2888 4060; **Fax:** (91 22) 2882 3789; **Email:** investors@justdial.com; **Website:** www.justdial.com

**Promoters of our Company:** V.S.S. Mani, Anita Mani, Ramani Iyer and V. Krishnan

**PUBLIC OFFER OF 17,497,458 EQUITY SHARES OF A FACE VALUE OF ₹ 10 EACH (THE "EQUITY SHARES") OF JUST DIAL LIMITED (THE "COMPANY") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE THROUGH AN OFFER FOR SALE BY THE SELLING SHAREHOLDERS (AS DEFINED IN THE SECTION "DEFINITIONS AND ABBREVIATIONS") AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER"). A DISCOUNT OF 10% TO THE FLOOR PRICE IS BEING OFFERED TO RETAIL INDIVIDUAL BIDDERS (THE "RETAIL DISCOUNT"). THE OFFER WILL CONSTITUTE 25.02% OF THE FULLY DILUTED POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR THE DETAILS OF THE EQUITY SHARES OFFERED BY EACH SELLING SHAREHOLDER, PLEASE SEE THE SECTION "DEFINITIONS AND ABBREVIATIONS – OFFER RELATED TERMS – OFFER" ON PAGE 2.**

**THE FACE VALUE OF EQUITY SHARES IS ₹ 10 EACH. THE PRICE BAND, THE MINIMUM BID LOT AND THE RUPEE AMOUNT OF THE RETAIL DISCOUNT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS ("BRLMS") AND WILL BE ADVERTISED AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SUCH ADVERTISEMENT SHALL BE AVAILABLE ON THE WEBSITES OF THE BSE LIMITED ("BSE"), NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE") AND MCX STOCK EXCHANGE LIMITED ("MCX-SX").**

In case of any revisions in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the BSE, the NSE and MCX-SX, by issuing a press release, and also by indicating the change on the website of the BRLMs.

In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR"), this is an Offer for at least 25% of the post-Offer capital. The Offer is being made through the Book Building Process wherein at least 75% of the Offer shall be Allotted on a proportionate basis to Qualified Institutional Buyers ("QIBs"), provided that our Company and the Selling Shareholders may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. If at least 75% of the Offer cannot be Allotted to QIBs, then the entire application money shall be refunded forthwith. Further, not more than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI Regulations"), subject to valid Bids being received at or above the Offer Price. For details in relation to allocation to Retail Individual Bidders, specific attention of the investors is invited to the section "Offer Procedure – Basis of Allotment" on page 418. All potential investors, other than Anchor Investors, may participate in this Offer through an Application Supported by Blocked Amount ("ASBA") process providing details of their respective bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs"). QIBs (except Anchor Investors) and Non-Institutional Bidders are mandatorily required to utilise the ASBA process to participate in this Offer. For details, see the section "Offer Procedure" on page 386.

#### RISK IN RELATION TO THE FIRST OFFER

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 each and the Offer Price is [●] times of the face value. The Offer Price (determined and justified by our Company and the Selling Shareholders, in consultation with the BRLMs, as stated under the section "Basis for Offer Price" on page 110) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

#### IPO GRADING

This Offer has been graded by CRISIL Limited ("CRISIL"), through letter dated April 16, 2013, as 5/5, indicating that the fundamentals of the Offer are strong relative to the other listed equity securities in India. The IPO grade is assigned on a five-point scale from 1 to 5, with IPO grade 5/5 indicating strong fundamentals and IPO grade 1/5 indicating poor fundamentals. For details, please see the section "General Information" on page 69.

#### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares offered in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to the section "Risk Factors" on page 15.

#### SAFETY NET ARRANGEMENT

A safety net is being provided by the Safety Net Providers (as defined herein) to Retail Individual Allottees (as defined in the section "Safety Net Arrangement") who are resident in India in accordance with Regulation 44 of the SEBI Regulations and as set out in the section "Safety Net Arrangement" on page 372.

#### COMPANY'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. The Selling Shareholders accept responsibility that this Red Herring Prospectus contains all information about them as Selling Shareholders in the context of the Offer and each Selling Shareholder assumes responsibility for statements in relation to such Selling Shareholder included in this Red Herring Prospectus.

#### LISTING

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the BSE, the NSE and MCX-SX. We have received an "in-principle" approval from each of the BSE, the NSE and MCX-SX for the listing of the Equity Shares pursuant to the letters dated October 11, 2012, September 24, 2012 and April 12, 2013, respectively. For the purposes of the Offer, the Designated Stock Exchange shall be the NSE.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE OFFER
		
<b>Citigroup Global Markets India Private Limited</b> 12 <sup>th</sup> Floor, Bakhtawar Nariman Point Mumbai 400 021 Tel: (91 22) 6631 9890 Fax: (91 22) 3919 7844 E-mail: justdial ipo@citi.com Investor Grievance Email: investors.cgmb@citi.com Website: <a href="http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm">http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm</a> Contact Person: S. Ashwin SEBI Registration No.: INM000010718	<b>Morgan Stanley India Company Private Limited</b> 18F/19F, Tower 2, One Indiabulls Centre 841, Senapati Bapat Marg Mumbai 400 013 Tel: (91 22) 6118 1000 Fax: (91 22) 6118 1040 Email: JD_IPO@morganstanley.com Email: Investor Grievance Email: investors_india@morganstanley.com Website: www.morganstanley.com/indiaofferdocuments Contact Person: Ronak Sandil SEBI Registration No.: INM000011203	<b>Karvy Computershare Private Limited</b> Plot No. 17-24, Vittal Rao Nagar, Madhapur Hyderabad 500 081 Tel: (91 40) 4465 5000 Fax: (91 40) 2343 1551 Email: justdial.ipo@karvy.com Website: http://karisma.karvy.com Contact Person: M. Murli Krishna SEBI Registration No.: INR000000221
<b>BID / OFFER PROGRAMME<sup>(1)</sup></b>		
<b>BID/OFFER OPENS ON: May 20, 2013</b>		<b>BID/OFFER CLOSES ON: May 22, 2013</b>

<sup>(1)</sup>Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.

## TABLE OF CONTENTS

<b>SECTION I: GENERAL</b> .....	<b>1</b>
DEFINITIONS AND ABBREVIATIONS .....	1
PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA .....	10
FORWARD-LOOKING STATEMENTS .....	14
<b>SECTION II: RISK FACTORS</b> .....	<b>15</b>
<b>SECTION III: INTRODUCTION</b> .....	<b>45</b>
SUMMARY OF INDUSTRY .....	45
SUMMARY OF BUSINESS .....	52
SUMMARY FINANCIAL INFORMATION .....	57
THE OFFER .....	68
GENERAL INFORMATION .....	69
CAPITAL STRUCTURE .....	78
OBJECTS OF THE OFFER .....	108
BASIS FOR OFFER PRICE .....	110
STATEMENT OF TAX BENEFITS .....	113
<b>SECTION IV: ABOUT THE COMPANY</b> .....	<b>126</b>
INDUSTRY OVERVIEW .....	126
OUR BUSINESS .....	134
REGULATIONS AND POLICIES .....	151
HISTORY AND CERTAIN CORPORATE MATTERS .....	154
OUR MANAGEMENT .....	164
OUR PROMOTERS AND PROMOTER GROUP .....	178
OUR GROUP COMPANIES .....	181
RELATED PARTY TRANSACTIONS .....	185
DIVIDEND POLICY .....	186
<b>SECTION V: FINANCIAL INFORMATION</b> .....	<b>187</b>
FINANCIAL STATEMENTS .....	187
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS .....	320
<b>SECTION VI: LEGAL AND OTHER INFORMATION</b> .....	<b>338</b>
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS .....	338
GOVERNMENT AND OTHER APPROVALS .....	350
OTHER REGULATORY AND STATUTORY DISCLOSURES .....	353
<b>SECTION VII: OFFER INFORMATION</b> .....	<b>369</b>
TERMS OF THE OFFER .....	369
SAFETY NET ARRANGEMENT .....	373
OFFER STRUCTURE .....	380
OFFER PROCEDURE .....	386
RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES .....	425
<b>SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION</b> .....	<b>427</b>
<b>SECTION IX: OTHER INFORMATION</b> .....	<b>460</b>
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION .....	460
DECLARATION .....	464
ANNEXURE – IPO GRADING REPORT .....	474

## SECTION I: GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act or regulation shall be to such legislation, act or regulation as amended from time to time.*

#### General Terms

Term	Description
“our Company” or “the Company”	Just Dial Limited, a company incorporated under the Companies Act and having its Registered Office at Palm Court, Building-M, 501/B, 5 <sup>th</sup> Floor, Besides Goregaon Sports Complex, New Link Road, Malad (West), Mumbai 400 064

#### Company Related Terms

Term	Description
Articles/ Articles of Association	Articles of Association of our Company
Audit Committee	The audit committee of the Board of Directors of our Company
Auditor	The statutory auditor of our Company, S.R. Batliboi & Associates LLP. For details, please see the section “General Information” on page 69
Board/ Board of Directors	The board of directors of our Company or a duly constituted committee thereof
Director(s)	The director(s) of our Company
EGCS	EGCS Investment Holdings
Equity Shares	Equity shares of our Company of ₹ 10 each fully paid-up
ESOP Schemes	The employee stock option schemes instituted by our Company, namely, Just Dial Employee Stock Option Scheme, 2007, Just Dial Employee Stock Option Scheme, 2008 and Just Dial Employee Stock Option Scheme, 2010. For details, please see the section “Capital Structure” on page 78
Group Companies	Companies, firms and ventures promoted by our Promoters, irrespective of whether such entities are covered under section 370(1)(B) of the Companies Act or not and disclosed in the section “Our Group Companies” on page 181
JD Global	Just Dial Global Private Limited
JD USA	Just Dial Inc., U.S.A.
Memorandum/ Memorandum of Association	Memorandum of Association of our Company, as amended
Preference Shares	Collectively, the Preference Shares Series A, Preference Shares Series B and Preference Shares Series C
Preference Shares Series A	6% Cumulative Optionally Convertible Redeemable Preference Shares of Series A of face value ₹ 10 each of our Company
Preference Shares Series B	0.1% Non-cumulative Optionally Convertible Redeemable Preference Shares of Series B of face value ₹ 10 each of our Company
Preference Shares Series C	6% Compulsorily Convertible Non-Cumulative Preference Share of Series C of face value ₹ 10 each of our Company
Promoters	The promoters of our Company, V.S.S. Mani, Anita Mani, Ramani Iyer and V. Krishnan. For details, please see the section “Our Promoters and Promoter Group” on page 178
Promoter Group	The persons and entities constituting the promoter group of our Company in terms of Regulation 2(zb) of the SEBI Regulations and disclosed in the section “Our Promoters and Promoter Group” on page 178
Registered Office	The registered office of our Company, which is located at Palm Court, Building-M, 501/B, 5 <sup>th</sup> Floor, Besides Goregaon Sports Complex, New Link

<b>Term</b>	<b>Description</b>
	Road, Malad (West), Mumbai 400 064
SAIF	SAIF II Mauritius Company Limited
SAPV	SAPV (Mauritius)
Scheme	Scheme of arrangement between our Company, Just Dial Global Private Limited and their respective shareholders and creditors which was approved by the High Court of Bombay pursuant to an order dated October 14, 2011 and which became effective on November 3, 2011. For details, please see the section "History and Certain Corporate Matters - Scheme of Arrangement between our Company, Just Dial Global Private Limited and their respective shareholders and creditors" on page 157
Sequoia	Collectively, Sequoia I, Sequoia II and Sequoia III
Sequoia I	Sequoia Capital India Growth Investment Holdings I
Sequoia II	SCI Growth Investments II
Sequoia III	Sequoia Capital India Investments III
Shareholders' Agreement	The amended and restated shareholders' agreement dated June 21, 2012 between our Company, our Promoters, SAIF, Tiger Global, Sequoia I, Sequoia II, Sequoia III, EGCS and SAPV. For details please see the section "History and Certain Corporate Matters" on page 160
Tiger Global	Collectively, Tiger Global Four JD Holdings and Tiger Global Five Indian Holdings

#### **Offer Related Terms**

<b>Term</b>	<b>Description</b>
Allotment/ Allot/ Allotted	Unless the context otherwise requires, the allocation and transfer of the Equity Shares pursuant to the Offer to successful Bidders
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders after the Basis of Allotment has been approved by the Designated Stock Exchange
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion, with a minimum Bid of ₹ 100 million
Anchor Investor Bid/ Offer Period	The day, one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	The final price at which Equity Shares will be Allotted to Anchor Investors in terms of this Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price, but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholders in consultation with the BRLMs
Anchor Investor Portion	Up to 30% of the QIB Portion which may be allocated by our Company and the Selling Shareholders, in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Supported by Blocked Amount/ASBA	An application, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Account maintained with the SCSB. ASBA is mandatory for QIBs (except Anchor Investors) and Non Institutional Bidders participating in the Offer
ASBA Account	An account maintained with the SCSB and specified in the Bid cum Application Form submitted by ASBA Bidders for blocking the amount mentioned in the Bid cum Application Form
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder	Prospective investors (except Anchor Investors) in this Offer who intend to Bid through ASBA

<b>Term</b>	<b>Description</b>
Bankers to the Offer/Escrow Collection Banks	The banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Account will be opened, in this case being Axis Bank Limited, HDFC Bank Limited and Yes Bank Limited
Basis of Allotment	The basis on which Equity Shares will be Allotted to successful Bidders under the Offer and which is described in the section "Offer Procedure - Basis of Allotment" on page 418
Bid	An indication to make an offer during the Bid/Offer Period by a Bidder pursuant to submission of the Bid cum Application Form, or during the Anchor Investor Bid/Offer Period by the Anchor Investors, to purchase the Equity Shares of our Company from the Selling Shareholders at a price within the Price Band, including all revisions and modifications thereto
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form. For Retail Individual Bidders, the Bid shall be made net of Retail Discount
Bid cum Application Form	The form used by a Bidder, including an ASBA Bidder, to make a Bid and which will be considered as the application for Allotment for the purposes of this Red Herring Prospectus and the Prospectus
Bid/ Offer Closing Date	Except in relation to any Bids received from Anchor Investors, the date after which the BRLMs, the Designated Branches of the SCSBs and the Registered Brokers will not accept any Bids for the Offer, which shall be notified in two national newspapers (one each in English and Hindi) and in one Marathi newspaper, each with wide circulation
Bid/ Offer Opening Date	Except in relation to any Bids received from Anchor Investors, the date on which the BRLMs, the Designated Branches of the SCSBs and the Registered Brokers shall start accepting Bids for the Offer, which shall be notified in an English daily newspaper, a Hindi daily newspaper and a Marathi daily newspaper, each with wide circulation
Bid/ Offer Period	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof
Bid Lot	[●]
Bidder	Any prospective investor who makes a Bid pursuant to the terms of this Red Herring Prospectus and the Bid cum Application Form
Book Building Process/Method	The book building process, as provided in Schedule XI of the SEBI Regulations, in terms of which the Offer is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders can submit the Bid cum Application Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the websites of the BSE and the NSE at <a href="http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3">http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3</a> and <a href="http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm">http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm</a> , respectively, and on the website of MCX-SX at <a href="http://www.mcx-sx.com/members/Membership/Current-Membership/Pages/Membership-Directory.aspx">http://www.mcx-sx.com/members/Membership/Current-Membership/Pages/Membership-Directory.aspx</a> and <a href="http://www.mcx-sx.com/members/Membership/Current-Membership/Authorised-Person/Pages/Directory.aspx">http://www.mcx-sx.com/members/Membership/Current-Membership/Authorised-Person/Pages/Directory.aspx</a>
BRLMs/Book Running Lead Managers	The book running lead managers to the Offer, in this case being Citigroup Global Markets India Private Limited and Morgan Stanley India Company Private Limited
CAN / Confirmation of Allocation Note	Notice or intimation of allocation of Equity Shares sent to Anchor Investors, who have been allocated Equity Shares, after the Anchor Investor Bid/Offer Period
Cap Price	The higher end of the Price Band, above which the Offer Price will not be finalised and above which no Bids will be accepted
Citi	Citigroup Global Markets India Private Limited
Cut-off Price	The Offer Price, finalised by our Company and the Selling Shareholders in consultation with the BRLMs. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price, for a Bid Amount not exceeding ₹ 200,000. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Designated Branches	All branches of the SCSBs which shall collect the Bid cum Application Forms used by

<b>Term</b>	<b>Description</b>
	the ASBA Bidders and a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a>
Designated Date	The date on which funds are transferred from the Escrow Account or the amount blocked by the SCSBs is transferred from the ASBA Account, as the case may be, to the Public Offer Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the Selling Shareholders shall give delivery instructions for the transfer of the Equity Shares to successful Bidders
Designated Stock Exchange	The NSE
Draft Red Herring Prospectus or DRHP	The Draft Red Herring Prospectus dated August 13, 2012 issued in accordance with section 60B of the Companies Act and the SEBI Regulations, which does not contain complete particulars of the price at which the Equity Shares will be transferred and the size of the Offer
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom this Red Herring Prospectus constitutes an invitation to purchase the Equity Shares
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom this Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby and who have opened demat accounts with SEBI registered qualified depository participants
Engagement Letter	The engagement letter executed on May 8, 2013 between our Company, the Selling Shareholders and the BRLMs
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Bidders (excluding the ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agent	The escrow agent appointed pursuant to the Share Escrow Agreement, being Karvy Computershare Private Limited
Escrow Agreement	Agreement to be entered into between our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price will be finalised and below which no Bids will be accepted
IPO Grading Agency	CRISIL Limited
Investment Company Act	U.S. Investment Company Act of 1940, as amended
Morgan Stanley	Morgan Stanley India Company Private Limited
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion), or 459,309 Equity Shares which shall be available for allocation to Mutual Funds only
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Net Proceeds	Proceeds of the Offer less the Offer expenses.
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not more than 15% of the Offer consisting of 2,624,618 Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price
Offer	The offer for sale of 17,497,458 Equity Shares for cash at a price of [●] per Equity Share aggregating to ₹ [●] million through an offer for sale by the Selling Shareholders, pursuant to the terms of this Red Herring Prospectus comprising of an offer for sale of (i) 1,557,658 Equity Shares by V.S.S. Mani; (ii) 618,174 Equity Shares by Ramani Iyer; (iii) 632,144 Equity Shares by V. Krishnan; (iv) 3,207,934 Equity Shares by Sequoia III; (v) 5,951,231 Equity Shares by SAIF; (vi) 2,811,232

<b>Term</b>	<b>Description</b>
	Equity Shares by Tiger Global Four JD Holdings; (vii) 1,742,996 Equity Shares by Tiger Global Five Indian Holdings; (viii) 647,793 Equity Shares by EGCS; and (ix) 328,296 Equity Shares by SAPV
Offer Agreement	The agreement dated August 13, 2012 between our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer, as amended and restated by the agreement dated May 8, 2013
Offer Price	The final price at which Equity Shares will be transferred and Allotted in terms of this Red Herring Prospectus. The Offer Price will be decided by our Company and the Selling Shareholders in consultation with the BRLMs on the Pricing Date. Provided that for the purposes of the Anchor Investors, this price shall be the Anchor Investor Offer Price
Offer Proceeds	The proceeds of the Offer. For further information about use of the Offer Proceeds and the Offer expenses, please see the section "Objects of the Offer" on page 108
Price Band	Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price), including any revisions thereof. The Price Band, the minimum Bid Lot size and the rupee amount of the Retail Discount for the Offer will be decided by our Company and the Selling Shareholders in consultation with the BRLMs and advertised, at least five Working Days prior to the Bid/Offer Opening Date, in: (i) Mumbai, Pune, Ahmedabad, New Delhi, Lucknow, Chandigarh, Kolkata, Chennai, Kochi, Bengaluru and Hyderabad editions of English national newspaper Financial Express; (ii) New Delhi, Kolkata, Lucknow and Chandigarh editions of Hindi national newspaper Jansatta; and (iii) Mumbai edition of the Marathi regional language newspaper Navshakti, each with wide circulation. Such advertisement will also disclose the relevant financial ratios calculated at the Floor Price and the Cap Price and will also be available on the websites of the BSE, the NSE and MCX-SX.
Pricing Date	The date on which our Company and the Selling Shareholders in consultation with the BRLMs finalise the Offer Price
Prospectus	The Prospectus to be filed with the RoC in accordance with section 60 of the Companies Act, containing, <i>inter alia</i> , the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information
Public Offer Account	Account opened with the Bankers to the Offer to receive monies from the Escrow Account and from the bank accounts of ASBA Bidders maintained with the SCSBs on the Designated Date
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) amounting to at least 75% of the Offer being at least 13,123,095 Equity Shares, which shall be Allotted to QIBs, including Anchor Investors
Qualified Foreign Investors or QFIs	<p>Non-resident investors, other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs, who meet 'know your client' requirements prescribed by SEBI and are resident in a country which is (i) a member of Financial Action Task Force or a member of a group which is a member of Financial Action Task Force; and (ii) a signatory to the International Organisation of Securities Commission's Multilateral Memorandum of Understanding or a signatory of a bilateral memorandum of understanding with SEBI.</p> <p>Provided that such non-resident investor shall not be resident in country which is listed in the public statements issued by Financial Action Task Force from time to time on: (i) jurisdictions having a strategic Anti-Money Laundering/Combating the Financing of Terrorism deficiencies to which counter measures apply; (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the Financial Action Task Force to address the deficiencies</p>
Qualified Foreign Investors Depository Participant or QFIs DP	Depository Participant for Qualified Foreign Investors

<b>Term</b>	<b>Description</b>
Qualified Institutional Buyers or QIBs	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI Regulations
Qualified Purchasers or QPs	Qualified Purchasers as defined in section 2(a)(51) and related rules of the Investment Company Act
Red Herring Prospectus or RHP	This Red Herring Prospectus dated May 8, 2013 issued in accordance with section 60B of the Companies Act and the SEBI Regulations, which does not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer. This Red Herring Prospectus will be filed with the RoC at least three days before the Bid/Offer Opening Date and will become a Prospectus upon filing with the RoC after the Pricing Date
Refund Account	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding refunds to ASBA Bidders) shall be made
Refund Bank	HDFC Bank Limited
Refunds through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable
Registered Brokers	Stock brokers registered with any of the Stock Exchanges, having an office in any of the Broker Centres
Registrar to the Offer/Registrar	Registrar to the Offer, in this case being Karvy Computershare Private Limited
Restated Consolidated Summary Statements or restated consolidated summary statements	Restated consolidated summary statement of assets and liabilities as at March 31, 2012, 2011, 2010, 2009 and 2008 and profits and losses and cash flows for each of the years ended March 31, 2012, 2011, 2010, 2009 and 2008 of our Company and its subsidiaries.  Unless stated otherwise, the financial data of our Company and its subsidiaries in this Red Herring Prospectus as at March 31, 2012, 2011, 2010, 2009 and 2008 and for each of the years ended March 31, 2012, 2011, 2010, 2009 and 2008, is from the Restated Consolidated Summary Statements
Restated Summary Statements or restated summary statements	Collectively, the Restated Consolidated Summary Statements and Restated Unconsolidated Summary Statements
Restated Unconsolidated Summary Statements or restated unconsolidated summary statements	Restated unconsolidated summary statement of assets and liabilities as at December 31, 2012, March 31, 2012, 2011, 2010, 2009 and 2008 and profits and losses and cash flows for nine months period ended December 31, 2012 and for each of the years ended March 31, 2012, 2011, 2010, 2009 and 2008 of our Company.  Unless stated otherwise, the financial data of our Company in this Red Herring Prospectus as at December 31, 2012, and for the nine months period ended December 31, 2012, is from the Restated Unconsolidated Summary Statements
Retail Discount	Discount of 10% to the Floor Price given to Retail Individual Bidders. The rupee amount of the Retail Discount will be decided by our Company and the Selling Shareholders in consultation with the BRLMs and will be published at least five Working Days prior to the Bid/Offer Opening Date.
Retail Individual Bidder(s)	Individual Bidders who have Bid for Equity Shares for an amount not more than ₹ 200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs)
Retail Portion	The portion of the Offer being not more than 10% of the Offer consisting of 1,749,745 Equity Shares which shall be available for allocation to Retail Individual Bidder(s) in accordance with the SEBI Regulations
Revision Form	The form used by the Bidders, including ASBA Bidders, to modify the quantity of Equity Shares or the Bid Amount in their Bid cum Application Forms or any previous Revision Form(s)
Safety Net/ Safety Net	The safety net being provided by the Safety Net Providers to resident Retail Individual



<b>Term</b>	<b>Description</b>
Arrangement	Allottees in accordance with Regulation 44 of the SEBI Regulations and as set out in the section "Safety Net Arrangement" on page 373
Safety Net Providers	V.S.S. Mani, Ramani Iyer and V. Krishnan
Securities Act	U.S. Securities Act of 1933, as amended
Self Certified Syndicate Bank(s) or SCSB(s)	A banker to the offer registered with SEBI, which offers the facility of ASBA and a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a>
Selling Shareholders	V.S.S. Mani, Ramani Iyer, V. Krishnan, SAIF, Tiger Global Four JD Holdings, Tiger Global Five Indian Holdings, Sequoia III, EGCS and SAPV
Share Escrow Agreement	The agreement to be entered into amongst the Selling Shareholders, our Company and the Escrow Agent in connection with the transfer of Equity Shares under the Offer by the Selling Shareholders and credit of such Equity Shares to the demat accounts of the Allottees
Specified Cities	Cities as specified in the SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely, Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Baroda and Surat
Syndicate Agreement	The Agreement to be entered into amongst the BRLMs, our Company and the Selling Shareholders in relation to the collection of Bids in this Offer (excluding Bids from the Bidders applying through ASBA process)
TRS/Transaction Registration Slip	The slip or document issued by the BRLMs, the SCSBs or the Registered Brokers (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
U.S. Person	As defined in Regulation S under the Securities Act
U.S. QIBs	Qualified Institutional Buyers, as defined in Rule 144A under the Securities Act
Underwriters	The BRLMs
Underwriting Agreement	The agreement amongst the Underwriters, our Company and the Selling Shareholders to be entered into on or after the Pricing Date
Working Days	Any day, other than Saturdays and Sundays, on which commercial banks in Mumbai are open for business, provided however, for the purpose of the time period between the Bid/Offer Closing Date and listing of the Equity Shares on the Stock Exchanges, "Working Days" shall mean all days excluding Sundays and bank holidays in Mumbai in accordance with the SEBI circular no. CIR/CFD/DIL/3/2010 dated April 22, 2010

#### Technical/Industry Related Terms

<b>Term</b>	<b>Description</b>
GDP	Gross Domestic Product
IRO	Information Retrieval Officer
IT	Information Technology
MSME	Micro, Small and Medium Enterprise
OSP	Other Service Provider
SME	Small and Medium Enterprise
SMS	Short Messaging Service

#### Conventional Terms/ Abbreviations

<b>Term</b>	<b>Description</b>
AGM	Annual General Meeting
Alternative Investment Funds or AIFs	Alternative Investment Funds as defined in and registered under SEBI AIF Regulations
AS/Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited

<b>Term</b>	<b>Description</b>
CIN	Corporate Identity Number
Companies Act	The Companies Act, 1956
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DoT	Department of Telecommunication, Ministry of Communications and Information Technology, Government of India
DP	Depository Participant
DP ID	Depository Participant's Identification
DP/Depository Participant	A depository participant as defined under the Depositories Act
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary General Meeting
EPS	Earnings per share
ESIC	Employees' State Insurance Corporation
ESI Act	Employees' State Insurance Act, 1948
FCNR	Foreign Currency Non-Resident
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder and amendments thereto
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
FII(s)	Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Financial Year/Fiscal/FY	The period of 12 months ending March 31 of that particular year
FIPB	Foreign Investment Promotion Board of the Government of India
FVCI	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
GIR	General Index Register
GoI/Government	Government of India
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
IPC	Indian Penal Code, 1860
Income Tax Act	The Income Tax Act, 1961
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
MCX-SX	MCX Stock Exchange Limited
National Investment Fund	National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India
NAV	Net Asset Value
NCT	National Capital Territory
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NR/ Non-Resident	A person resident outside India, as defined under FEMA and includes a Non Resident Indian, FIIs registered with SEBI and FVCIs registered with SEBI
NRE Account	Non Resident External Account
NRI	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited

<b>Term</b>	<b>Description</b>
NSE	The National Stock Exchange of India Limited
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
p.a.	Per annum
P/B	Price / Book Value per Share
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
RBI	The Reserve Bank of India
RoC	The Registrar of Companies, Maharashtra located at 100, Everest, Marine Drive, Mumbai 400 002
RoNW	Return on Net Worth
₹/Rupees	Indian Rupees
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI ESOP Guidelines	Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
SEBI Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Securities Act	U.S. Securities Act, 1933
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
State Government	The government of a state in India
Stock Exchanges	The BSE, the NSE and MCX-SX
Supreme Court	The Supreme Court of India
UK	United Kingdom
ULIP	Unit Linked Insurance Plan
US /United States/USA	United States of America
US GAAP	Generally Accepted Accounting Principles in the United States of America
USD/US\$	United States Dollars
VAT	Value added tax
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI (Venture Capital Funds) Regulations, 1996 or the SEBI AIF Regulations, as the case may be

## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

All references to “India” contained in this Red Herring Prospectus are to the Republic of India and all references to the “U.S.” are to the United States of America.

### Financial Data

Unless stated otherwise, our financial data included in this Red Herring Prospectus is derived from the audited financial statements, prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations. In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

Our Company’s financial year commences on April 1 and ends on March 31 of the next year, so all references to particular financial year, unless stated otherwise, are to the 12 months period ended on March 31 of that year.

There are significant differences between Indian GAAP, US GAAP and IFRS. The reconciliation of the financial statements to IFRS or US GAAP financial statements has not been provided. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Red Herring Prospectus, and it is urged that you consult your own advisors regarding such differences and their impact on our Company’s financial data. Accordingly, the degree to which the restated summary statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

Unless otherwise indicated, any percentage amounts, as set forth in the sections “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 15, 134 and 320, respectively, and elsewhere in this Red Herring Prospectus have been calculated on the basis of the restated summary statements.

### Currency and Units of Presentation

All references to “₹” or “Rupees” are to Indian Rupees, the official currency of the Republic of India.

All references to “US\$” or “USD” are to United States Dollars, the official currency of the United States of America.

Our Company has presented certain numerical information in this Red Herring Prospectus in “million” units. One million represents 1,000,000 and one billion represents 1,000,000,000.

### Exchange Rates

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and the USD (in Rupees per USD).

	March 31, 2013 (₹)	March 31, 2012 (₹)	March 31, 2011 (₹)
1 USD	54.39*	51.16**	44.65

Source: RBI Reference Rate

\* Exchange rate as on March 28, 2013, as RBI Reference Rate is not available for March 31, 2013, March 30, 2013 and March 29, 2013 being a Sunday, Saturday and a holiday on account of Good Friday, respectively.

\*\* Exchange rate as on March 30, 2012, as RBI Reference Rate is not available for March 31, 2012 being a Saturday.

No representation is made that the rupee amounts actually represent such USD amounts or could have been or could be converted into USD at the rates indicated, any other rate or at all. The USD amounts received, or remitted, by our Company have been converted at the prevailing exchange rates at the time of such conversion.

Any conversions of US Dollar or other currency amounts into Indian Rupees in this Red Herring Prospectus

should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be, converted into Indian Rupees at any particular conversion rate.

### **Industry and Market Data**

Unless stated otherwise, industry and market data used in this Red Herring Prospectus have been obtained or derived from publicly available information as well as industry publications and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. Although we believe that industry data used in this Red Herring Prospectus is reliable, it has not been independently verified.

The extent to which the market and industry data used in this Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

### **Definitions**

For definitions, please see the section "Definitions and Abbreviations" on page 1. In the section "Main Provisions of Articles of Association" on page 427, defined terms have the meaning given to such terms in the Articles of Association.

## **NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES**

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision investors must rely on their own examination of our Company and the terms of the offer, including the merits and risks involved.

The Equity Shares have not been and will not be registered under the Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the Securities Act (“U.S. Persons”) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered or sold only to (i) persons who are both “qualified purchasers” as defined in the Investment Company Act (referred to in this Red Herring Prospectus as “QPs”) and “qualified institutional buyers” (as defined in Rule 144A under the Securities Act and referred to in this Red Herring Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Red Herring Prospectus as “QIBs”) and (ii) non-U.S. Persons outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

Our Company is not and will not be registered under the Investment Company Act, and investors will not be entitled to the benefits of the Investment Company Act.

Each purchaser of Equity Shares that is located within the United States or who is a U.S. person, or who has acquired the Equity Shares for the account or benefit of a U.S. Person will be required to represent and agree, among other things, that such purchaser (i) is a U.S. QIB and a QP; and (ii) will only reoffer, resell, pledge or otherwise transfer the Equity Shares in an “offshore transaction” in accordance with Rule 903 or Rule 904 of Regulation S and under circumstances that will not require our Company to register under the Investment Company Act.

Each other purchaser of Equity Shares will be required to represent and agree, among other things, that such purchaser is a non-U.S. person acquiring the Equity Shares in an “offshore transaction” in accordance with Regulation S.

Investors may be required to bear the financial risk of an investment in the Equity Shares for an indefinite period. The Equity Shares are not transferable except in compliance with the restrictions described in “Other Regulatory and Statutory Disclosures—Important Information for Investors— Eligibility and Transfer Restrictions” on page 360.

## **NOTICE TO NEW HAMPSHIRE RESIDENTS**

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES (“RSA”) WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

## **NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA**

This Red Herring Prospectus has been prepared on the basis that all offers of Equity Shares will be made pursuant to an exemption under the Prospectus Directive, as implemented in Member States of the European Economic Area (“EEA”), from the requirement to produce a prospectus for offers of Equity Shares. The expression “Prospectus Directive” means Directive 2003/71/EC of the European Parliament and Council EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State (as defined below)) and includes any relevant implementing measure in each Relevant Member State. Accordingly, any person making or intending to make an offer within the EEA of Equity Shares which are the subject of the placement contemplated in this Red Herring Prospectus should only do so in circumstances in which no obligation arises for our Company or any of the Underwriters to produce a prospectus for such offer. None of our Company and the Underwriters have authorized, nor do they authorize, the making of any offer of Equity Shares through any financial intermediary, other than the offers made by the Underwriters which constitute the final placement of Equity Shares contemplated in this Red Herring Prospectus.

## FORWARD-LOOKING STATEMENTS

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

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties. Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- failure to manage our growth and scalability or adapt to technological developments or industry trends;
- reliance on telecommunications and information technology systems and infrastructure to operate our business;
- inability to provide better services than our competition;
- failure to maintain and enhance awareness of our brand;
- dependency on search engines to direct users to our website;
- reliance on SMEs as our target paid advertisers;
- inability to effectively and properly maintain, enhance and utilize our data base;
- changes in laws, rules and regulations and legal uncertainties;
- unprecedented and challenging global economic conditions; and
- political instability or change in economic liberalization and deregulation policies.

For further discussion of factors that could cause the actual results to differ from the expectations, please see the sections “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 15, 134 and 320 of this Red Herring Prospectus, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views as of the date of this Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the Selling Shareholders, the BRLMs nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. Our Company and the Selling Shareholders will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.



## SECTION II: RISK FACTORS

*An investment in equity shares involves a high degree of risk. You should carefully consider all the information disclosed in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment decision in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the industry in which we operate or India. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, results of operations and financial condition. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with the sections titled “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 134 and 320, respectively, as well as the other financial and statistical information contained in this Red Herring Prospectus. If any of the risks described below actually occur, our business, prospects, financial condition and results of operations could be adversely affected, the trading price of our Equity Shares could decline, and prospective investors may lose all or part of their investment. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in this Offer.*

*Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries.*

*This Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Red Herring Prospectus. Please see “Forward-Looking Statements” on page 14.*

*Unless specified or quantified in the relevant risks factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. Unless otherwise stated, the financial information of our Company used in this section has been derived from the Restated Summary Statements.*

### INTERNAL RISK FACTORS

#### Risks Relating to Our Business and Our Industry

**1. *There are outstanding criminal proceedings against our Company, Managing Director and certain Directors and employees.***

Two criminal complaints have been filed against our Company and certain of our Directors and employees. Madanmohan Pandharinath Khade has filed a criminal complaint against our Company, V.S.S. Mani, in his capacity as Managing Director of our Company, and V. Krishnan, Sanjay Bahadur, Ramani Iyer, Malcolm Monteiro, Ravi Adusumalli, B. Anand, in their capacity as Directors of our Company, and certain employees of our Company alleging *inter alia* the offences of criminal conspiracy and cheating. Further, Ashok Rajani has filed a criminal complaint against our Company, V.S.S. Mani, in his capacity as Managing Director of our Company, and certain employees of our Company alleging *inter alia* the offences of criminal breach of trust and cheating. Both complaints have been filed in connection with the provision of services by our Company and payments in relation thereto.

Our Company, together with the relevant accused persons, has filed separate applications before the High Court of Bombay for quashing the above criminal complaints as well as the FIRs registered pursuant to the complaints. For further details in relation to the above proceedings, please see the section “Outstanding Litigation and Material Developments - Litigation involving our Company – Litigation against our Company – Criminal Cases” on page 338.

An adverse outcome in the above mentioned proceedings could have an adverse effect on the ability of our Directors and employees, who are involved in the above proceedings, to serve our Company, which may have a material adverse effect on our business, prospects, financial condition and results of operations. Further, such an adverse outcome may also have an adverse effect on our reputation and may affect our future business. We cannot assure you that these proceedings will be decided in favour of our

Company, or our Directors and employees involved therein.

2. ***Our failure to manage our growth and scalability or adapt to technological developments or industry trends could affect the performance and features of our products and services and reduce our attractiveness to users and paid advertisers.***

During the past few years, we have experienced high growth in our business operations, which has placed, and will continue to place, significant demands and stress on our managerial, operational, and financial infrastructure. Our consolidated total revenue increased from ₹ 716.0 million in fiscal 2008 to ₹ 2,770.2 million in fiscal 2012, while the number of campaigns that we conduct increased from approximately 40,500 as of March 31, 2009 to approximately 195,100 as of December 31, 2012.

As our operations grow in scope and size, whether through offering of new products or expansion into new markets in India, we must continuously improve, upgrade, adapt and expand our systems and infrastructure to offer our users and paid advertisers enhanced services, features and functionality ahead of rapidly evolving consumer demands, while maintaining the reliability and integrity of our systems and infrastructure in a cost-efficient and competitive manner.

The systems, infrastructure and technologies we currently employ may become obsolete or be unable to support our increased size and scale. We currently offer our services through Internet, mobile Internet, voice and SMS, and we cannot anticipate which other forms of media will become relevant to the kind of services provided by us in the future and there can be no assurance that we will be able to adapt our systems to such media. Even if we are able to maintain, upgrade or replace our existing systems or innovate or customize and develop new technologies and systems, we may not be as quick or efficient as our competitors in upgrading or replacing our systems. As some of our systems are customized or developed internally, considerable internal resources and expenses are required to maintain and upgrade these systems. We may be unable to devote adequate financial resources or obtain sufficient financing on commercially acceptable terms in time, or at all. We may also not be able to attract talent (in-house or external) to continue with the required upgrades and improvements to our systems.

Our new systems, infrastructure and technologies may not perform satisfactorily, or be used effectively and we may also fail to adapt our product and service platforms to our increased size and scale, user requirements or emerging trends and industry standards. Further, there is no assurance that we will be able to downsize and scale back our systems and platforms quickly and efficiently enough to reduce unnecessary costs and expenses in the event that user demand falls below our expectations.

In addition, to effectively manage our growth, we will also need to continue to improve our operational, financial and management controls, and our reporting systems and procedures. In particular, continued growth increases the challenges involved in, amongst others, continuous training and development of skilled and competent personnel and employees and developing and improving internal administrative infrastructure. These systems, enhancements and improvements will require significant capital expenditures and management resources. Failure to implement these improvements could hurt our ability to manage our growth.

If we do not effectively manage our growth or appropriately expand and upgrade or downsize and scale back our systems and platforms, as the case may be, in a timely manner or at a reasonable cost, or both, we may lose market opportunities or damage our attractiveness and reputation with our users and paid advertisers, which may adversely affect our business, financial condition and results of operations.

3. ***The proper functioning of our websites is essential to our business.***

The satisfactory performance, reliability and availability of our website and our network infrastructure are critical to our success and our ability to attract and retain paid advertisers and maintain adequate user service levels. Our websites and servers are vulnerable to telecommunications failures, computer viruses, hacking, defacement, physical or electronic break-ins and similar disruptions, which could lead to accessing difficulties, service interruptions, delays, loss of data, inability to accept and/or fulfil user requests or inaccurate data being processed or displayed. We may also experience interruptions caused by

reasons beyond our control. For examples of such interruptions, please see the risk factor “Risk Factors— We rely on telecommunications and information technology systems, networks and infrastructure to operate our business and any interruption or breakdown in such systems, networks or infrastructure or our technical systems could impair our ability to effectively provide our products and services.” on page 17.

Any inability to accommodate increased user traffic, due to various factors, including systems or technology failure or obsolescence, on our website may cause unanticipated system disruptions, slower response time and degradation in quality of our service, which could have a material adverse effect on our business, reputation, financial condition and results of operations.

**4. *We rely on telecommunications and information technology systems, networks and infrastructure to operate our business and any interruption or breakdown in such systems, networks or infrastructure or our technical systems could impair our ability to effectively provide our products and services.***

We are in the business of providing local search services through technology-driven media, and we rely on information technology and telecommunications systems and networks and related infrastructure, some of which have been customized and developed internally. As such, our business operations and quality of our service depend on the efficient and uninterrupted operation and reliability of our telecommunications and information technology systems and networks and related infrastructure, both internal and external.

Our systems are vulnerable to damage or interruption as a result of natural disasters, power loss, telecommunications failure, technical failures, undetected errors or viruses in our software, computer viruses, corruption or loss of electronically stored data, disruption in communications access or infrastructure, electronic intrusion attempts, break-ins, sabotage, vandalism and other similar events. We cannot assure that our back-up and disaster recovery measures and business continuity planning would effectively eliminate or alleviate the risks arising from the above contingencies. In addition, as most of our systems and software are developed internally, it may contain undetected errors, defects or bugs, which we may not be able to detect and repair, in time or in a cost-effective manner, or at all. In such circumstances, we may be liable for all costs and damages, as we would not be entitled to any indemnification or warranty which we may have been provided if we had obtained such systems or software from third party professional providers. Any damage to or failure of our systems could lead to loss of data or interruptions or delays, thereby impairing our ability to effectively provide our services, which could result in our paid advertisers not using us to advertise their products and services.

In addition, to perform reliably, the fixed telecommunications networks and Internet infrastructure in India, and in any other locations that we may operate in, requires maintenance and periodic upgrading of the appropriate networks and infrastructure which are beyond our control. Our success will depend upon third parties maintaining and improving the Internet infrastructure to provide a reliable network with speed and adequate data capacity and telecommunication networks with good clarity and lower congestion. Continued disruption in the telecommunication networks in the markets where we operate may lead to a reduction in the number of users who approach us for information and may adversely affect the number of advertisers who agree to become our customers.

In particular, the Internet has experienced, and is likely to continue to experience, significant growth in the number of users and amount of traffic, and our Internet and mobile Internet services are designed to leverage on such growth. In the nine months period ended December 31, 2012, and in fiscal 2012, 2011 and 2010, approximately 60%, 54%, 48% and 46% of the total number of searches were conducted through our Internet and mobile Internet services, respectively. For an explanation of how we calculate total searches, please see the section “Our Business – Our Users” on page 139. The existing Internet infrastructure may not be able to support such continued growth in users and traffic, and the increasing number of users, bandwidth requirements, problems caused by computer viruses and bugs may affect the performance of the Internet, leading to a variety of outages and other delays. These outages and delays could reduce the level of Internet usage generally.

We may not have any access to alternative telecommunication networks other than those we currently use, in the event of disruptions, failures or any other problems in the network or infrastructure of our

current telecommunications service providers. In addition, we cannot assure that a more technologically sophisticated and reliable fixed telecommunications network or Internet infrastructure will be developed in India or any other region that we may operate in, that will ensure our ability to deliver smooth and reliable provision of our products and services to our users and paid advertisers.

We have experienced three disruptions to our services due to security lapses or network problems, the most serious of which occurred on March 5, 2011, when a third party software application was compromised resulting in our network becoming unavailable for 2 hours and 40 minutes. In another instance, our website was rendered unavailable for 5 minutes on April 15, 2011 due to a firewall failure. On January 18, 2012, our website was not accessible from a number of Internet service providers for 4 minutes due to the failure of a router. While our database was not compromised in any of these incidents or at any other time, our branding and reputation could be materially and adversely affected if we are unable to anticipate and implement measures to manage these problems and are perceived to be an unreliable service provider, especially if the problems are frequent and persistent, which could in turn materially and adversely affect our business, financial condition and results of operations.

5. ***If our service platforms are misused, it could lead to user dissatisfaction and discourage the use of our products and services and have a material adverse effect on our business and reputation.***

We have experienced in the past, and may in the future experience, misuse of our service platforms, including third parties assuming our identity and circulating spam e-mails or viruses. For example, in 2009, a complaint was filed with a District Consumer Disputes Redressal Forum in Hyderabad against a travel agent and us. The complainant alleged that he paid ₹ 312,028 for a tour package to the travel agent who claimed to be our agent, but did not receive any response. The complainant alleged unfair trade practice and deficiency of service on our part. The consumer forum dismissed the complaint against us as the complainant did not establish that he had used our services in this transaction. The occurrence of any such events in the future could lead to user dissatisfaction and discourage the use of our products and services. Such events may also give rise to complaints and actions against us. Any of these factors could have a material adverse effect on our reputation, business, results of operations and financial conditions.

6. ***We face intense and increasing competition for users and paid advertisers.***

Our business faces intense and increasing competition for users and paid advertisers, from both local and international competitors that seek to provide search services as well as advertising services. There are generic Internet search services providers as well as a number of local search services providers that provide local information in India.

Our present and future competitors may range from large and established companies to emerging start-ups. Our competitors may have one or more of the following advantages compared to us - greater financial and other resources, advanced technology, larger sales and marketing networks, greater knowledge of the target markets, more extensive research and development and technical capabilities, greater pricing flexibility, longer operating histories and/or strong branding and reputation. These advantages may assist them in attracting users and paid advertisers. Our present and future competitors with requisite financial and other resources may be able to innovate and provide products and services faster than we can. If our competitors leverage on these qualities to provide comparable or better services and products, and we are unable to respond successfully to such competitive pressures, our user traffic and number of paid advertisers could significantly decline, which would have a material adverse effect on our business, financial condition and results of operations. For further details on our competitors, please see the section "Our Business – Competition" on page 148.

A substantial part of the contents of our database, which comprises of contact details and information of businesses, is provided by the businesses themselves. Such businesses are not bound by any exclusivity agreement with us and providing their information to many search providers is beneficial for such businesses. We also do not have exclusivity arrangements with our paid advertisers, who also have the option to advertise with our competitors or on other media platforms. As the same information may be available to our competitors, we may not be able to maintain our competitive edge. Our competitors may be able to develop a unique and comprehensive database of business listings. In the event that we are

unable to provide better services than our competitors, including value added and user friendly search services, we may not be able to attract users to us, which could have material adverse effect on our business, results of operations and financial condition.

**7. *Our Promoters have interests in entities which are in the same line of business as that of our Company.***

Our Promoters and some of our principal shareholders together own almost all the shares and control JD Global, a Group Company, which through its U.S. subsidiary, JD USA, provides local search services under the “Just Dial” brand name to the U.S. and Canada markets. We sold our equity interest in JD USA to JD Global in July 2011 and have demerged some of our assets into JD Global. Our Promoters and principal shareholders may devote substantial time and resources to develop and grow the business of JD Global and JD USA. We provide services to JD Global, have licensed the “Just Dial” brand to JD USA and may continue to enter into transactions with these entities. There may be conflicts of interest between us and JD Global or JD USA if we were to expand our operations into the U.S. and Canada markets. None of our Promoters have undertaken not to compete with our business. In addition, we are controlled by our Promoters who can determine the allocation of business opportunities among, as well as strategies and actions of, us and their other investments, including JD Global and JD USA. If our Promoters decide to let JD Global, JD USA or any other affiliates, instead of us, pursue business opportunities, or cause JD Global, JD USA or any other affiliates or us to undertake corporate strategies, the effect of which is to benefit JD Global, JD USA or any other affiliates instead of us, our business, results of operations, financial condition and prospects could be materially and adversely affected.

In addition, our Promoters, who are also part of our management, would have to divide their time and energy between JD Global, JD USA or any other affiliates and our operations. As a result, our management may not be solely focused on our business and may be distracted by, or have conflicts as a result of the demands of JD Global, JD USA or any other affiliates, which may materially and adversely affect our business, results of operations and financial condition.

**8. *Our implied valuation based on our implied price / earnings multiple at the Offer Price may be higher than that of other global and local internet based companies.***

Based on the last financial year earnings and the closing price as at May 6, 2013, the price / earnings, or P/E, and the Price / Book Value per Share, or P/B multiples for the following global and local Indian internet based companies were as follows (for the last full financial year):

	Period	Price per Share <sup>(1)</sup>	Market Cap. <sup>(1)</sup> (INR mn)	EPS	P / EPS Multiple	BPS <sup>(10)</sup>	P / BPS Multiple
Just Dial <sup>(2)</sup>	FY2012	[.]	[.]	INR 9.4	[.]	INR 14.7	[.]
Just Dial <sup>(3)</sup>	9M FY2013 Annualized	[.]	[.]	INR 9.6	[.]	NA	[.]
Info Edge <sup>(4)</sup>	FY2012	INR 355.0	38,760	INR 9.5	37.5x	INR 48.3	7.4x
Make My Trip <sup>(5)</sup>	FY2012	USD 13.0	26,002	USD 0.2	64.9x	USD 3.2	4.1x
Facebook <sup>(6)</sup>	CY2011	USD 27.6	3,596,363	USD 0.5	53.0x	USD 2.3	12.1x
Facebook <sup>(7)</sup>	CY2012	USD 27.6	3,596,363	USD 0.0	1378.5x	USD 5.0	5.6x
Google <sup>(8)</sup>	CY2011	USD 861.6	15,420,550	USD 30.2	28.6x	USD 179.0	4.8x
Google <sup>(9)</sup>	CY2012	USD 861.6	15,420,550	USD 32.8	26.3x	USD 217.3	4.0x

(1) As on May 6, 2013. Source: Market data from BSE and NASDAQ websites.

(2) Just Dial: Year Ending March 2012. EPS and BPS numbers based on consolidated audited financials prepared as per Indian GAAP and restated in accordance with the SEBI Regulations.

(3) Just Dial: Based on annualized figures for 9 months ended Dec 2012. EPS and BPS numbers based on standalone audited financials prepared as per Indian GAAP and restated in accordance with the SEBI Regulations.

(4) Info Edge: Year Ending March 2012. EPS and BPS numbers based on consolidated audited financials prepared as per Indian GAAP. Source: FY2012 Annual Report. No. of Shares adjusted for 1:1 Bonus Issuance in June 2012.

(5) Make My Trip: Year Ending March 2012. EPS and BPS numbers based on consolidated audited financials as per IFRS Accounting Standards. Source: Company Filing with SEC.

(6) Facebook: Year Ending December 2011 EPS and BPS numbers based on consolidated audited financials as per US GAAP. Source: Company Filing with SEC.

(7) Facebook: Year Ending December 2012. EPS and BPS numbers based on consolidated audited financials as per US GAAP. Source: Company Filing with SEC.

(8) Google: Year Ending December 2011. EPS and BPS numbers based on consolidated audited financials as per US GAAP. Source: Company Filing with SEC.

(9) Google: Year Ending December 2012. EPS and BPS numbers based on consolidated audited financials as per US GAAP. Source: Company Filing with SEC.

(10) BPS same as NAV for Just Dial (defined as Net worth at the end of the year excluding preference share capital / Total number of equity shares outstanding at the end of the year).

BPS for other companies calculated as total shareholders' equity / total number of shares outstanding at the end of the period.

Note 1: Exchange rate of 1 USD = INR 53.9495 as on May 6, 2013 (Source: RBI Website).

Note 2: All EPS figures are Basic EPS figures and Class A and Class B shares have been added for Google and Facebook for the purposes of calculation of BPS.

The implied P/E, P/B multiple of the Offer Price could be higher than the above mentioned companies.

There are currently no standard valuation methodologies for companies with internet based business models. Consequently, any comparison of our Company with other companies engaged in similar businesses may not provide investors with any meaningful information, comparisons or analysis. In addition, many of these companies follow different accounting practices and prepare their financials in accordance with GAAP that is significantly different from Indian GAAP in accordance with which we prepare our financial statements. Our investors may therefore not be able to accurately assess and measure the value of our business by comparing our P/E, P/B multiple with that of global and local Internet based companies.

**9. *Some of our Company's previous valuation benchmarks were established at a significantly lower level as compared to the current Offer Price.***

In July 2009, some of our existing private equity non-Promoter shareholders purchased our Company's Equity Shares from another non-Promoter shareholder (the "2009 Share Sale") at a significantly lower valuation of ₹ 58 per share as compared to the Offer Price of ₹ [●]. The appreciation in valuation from approximately ₹ 58 (after retrospective adjustment for subsequent issuances of bonus Equity Shares to the shareholders of the Company) in July 2009 to ₹ [●] at the time of the Offer, implies a CAGR of [●]%. However, from fiscal 2009 to fiscal 2012, our financial performance derived from our restated consolidated summary statements was as follows:

<i>(in INR mn)</i>	<u>FY09</u>	<u>FY12</u>	<u>CAGR</u>
Total Revenue	918.1	2,770.2	44.5%
Restated profit for the year	69.4	528.2	96.7%
NAV Per Equity Share (INR) <sup>(1)</sup>	7.1	15.9	31.0%

(1) Calculated as (Net worth at the end of the year including preference share capital / Total number of equity shares outstanding at the end of the year + Potential equity shares on exercise of stock options as per guidance note on ESOP + potential equity shares from convertible preference shares).

The market conditions at the time of the 2009 Share Sale were relatively depressed. In addition, neither the Promoters or Promoter Group entities sold any Equity Shares in the 2009 Share Sale, nor did our Company issue any fresh Equity Shares. Accordingly, we believe that the investors should not treat the 2009 Share Sale as a valuation benchmark. Any investor relying on the 2009 Share Sale without considering the above factors, may conclude that the valuation of the Offer Price is inflated compared to the 2009 Share Sale valuation.

**10. *Our ability to expand our business outside India may be limited.***

Our initial international expansion was in the U.S. and Canadian market, which we conducted through JD USA and JD Global before they ceased to be our subsidiaries in fiscal 2012 and fiscal 2011, respectively. Pursuant to a trademark license agreement between us and JD USA, we have licensed the use of the "Just Dial" brand name in the U.S. and Canada to JD USA. See "Our Business - Divestment of JD USA and International Expansion" on page 149. As a result of JD USA and JD Global ceasing to be our subsidiaries, we may not be able to fully benefit from any future growth in the businesses in USA and Canada.

Our present focus is on the Indian market and we may choose to expand into other geographic areas in the future. If we undertake expansion into other geographic areas by entering into licensing or other similar arrangements with other parties, our ability to expand our business outside India may be limited.

**11. *We will continue to be controlled by our Promoters and Promoter Group after the Offer.***

Currently, our Promoters and Promoter Group together own an aggregate of 37.1% of our outstanding Equity Shares. After the completion of the Offer, our Promoters and members of our Promoter Group will continue to hold 33.1% of our issued, subscribed and paid up equity share capital, which will allow them to control the outcome of the matters submitted to our shareholders for approval. Our Promoters and

Promoter Group will have the ability to exercise control over us and certain matters which include election of directors, our business strategy and policies and approval of significant corporate transactions such as mergers, consolidations, asset acquisitions and sales and business combinations. The extent of their shareholding in us may also delay, prevent or deter a change in control, even if such a transaction is beneficial to our other shareholders. It may deprive our other shareholders of an opportunity to receive a premium for their Equity Shares as part of a sale of our Company and may reduce the price of our Equity Shares. The interests of our Promoters and Promoter Group as our controlling shareholders could also conflict with our interest or the interests of our other shareholders. We cannot assure you that our Promoters and Promoter Group will act to resolve any conflicts of interest in our favour, and they may take actions that are not in our best interest or that of our other shareholders. These actions may be taken even if they are opposed by our other shareholders, including those who have purchased Equity Shares in this Offer. Please see the section “Our Promoters and Promoter Group” on page 178 for more details of our Promoters and Promoter Group.

**12. *We do not own our Registered Office and other premises from which we operate.***

We do not own our Registered Office premises situated at Palm Court, Building-M, 501/B, 5<sup>th</sup> Floor, New Link Road, Malad (West), Mumbai and other offices from which we operate. We have licensed our Registered Office from two of our Promoters, V.S.S. Mani and Anita Mani for a period of approximately 46.5 months from March 15, 2012 until January 31, 2016. Our Company recorded as rent an aggregate amount of ₹ 4.12 million to V.S.S. Mani and Anita Mani for the right to use the Registered Office premises during the nine months period ended December 31, 2012. We are currently paying an aggregate of ₹ 479,981 per month to V.S.S. Mani and Anita Mani for the period between February 15, 2013 to January 14, 2014. For further details please see “Our Promoters and Promoter Group – Interest of Promoters and Common Pursuits” on page 178. The lease/license periods and rental amounts/license fee for our other offices vary on the basis of their locations. We cannot assure you that we will be able to renew our leases on commercially acceptable terms or at all. In the event that we are required to vacate our current premises, we would be required to make alternative arrangements for new offices and other infrastructure and we cannot assure that the new arrangements will be on commercially acceptable terms. If we are required to move our business operations or shut down our call centres (being one of our key assets) during this period, we may suffer a severe disruption in our business operations, leading to user and paid advertiser dissatisfaction and materially and adversely affecting our brand, business, financial condition and results of operations. Please see the section “Our Business—Properties” on page 150 for more details of the properties leased by us.

**13. *Our plan to establish new offices may not be successfully implemented.***

We plan to establish new offices to facilitate the growth of our business. However, we are yet to identify the exact locations where our new offices will be established. We cannot assure you that we will be able to: (i) identify suitable locations on reasonable or commercially acceptable terms; or (ii) establish new offices within the anticipated time and costs.

**14. *We depend on our brand recognition, and failure to maintain and enhance awareness of our brand would adversely affect our ability to retain and expand our base of users and paid advertisers.***

We believe that brand recognition is important for our business due to relatively low barriers of entry in our market. As the market becomes increasingly competitive, maintaining and enhancing our brand will become critical to ensure that we continue to remain one of the leading local search services providers. In addition, any negative publicity about us or our products and services, especially when we face intense and increasing competition, could harm our brand reputation and consequently our business.

Our branding is primarily dependent on the quality of our search services and the information provided by us. While we verify some of the information of our paid advertisers with whom we enter into a contract and our free listings, we are not able to screen or verify all the information contained in our business listings and cannot assure that any business listing is genuine, accurate or updated, nor can we guarantee the quality of the services and products provided by our paid advertisers and through the free listings. If our users are consistently provided with inaccurate or outdated information, or are provided

with sub-standard products and services by paid advertisers whose details have been obtained by users from us, they may become dissatisfied with the quality of the information provided by us which may in turn dilute our branding and materially adversely affect our reputation and consequently user traffic and our business.

**15. There are outstanding litigation proceedings against our Company, Directors and Promoters.**

Our Company, Directors and Promoters are involved in certain legal proceedings. A summary of such legal proceedings are provided in the following tables:

*Litigation against our Company*

Nature of Litigation	Number of Outstanding Litigation	Amount Involved (₹ in million, except as specified)
Criminal Cases	3*	-
Civil Cases	3	0.2
Consumer Complaints	14	1.9
Income Tax**	8	14.8
ESI Act	1	6.5
Employees' Compensation Act	1	0.2
Notices	66	15.7
Other proceedings	1	-
Past penalties	1	0.2

\* Includes the First Information Report dated March 19, 2012 filed by Sujata Roy against V.S.S. Mani and certain employees of our Company which has been quashed by the High Court of Bombay through an order dated August 8, 2012.

\*\*For details of disputed and contested tax demands, along with the disclosures of amount, period for which such demands or claims are outstanding, financial implications and the status of the case, see the section "Outstanding Litigation and Material Developments" on page 338.

*Litigation against our Directors*

Name of Director	Nature of Litigation	Number of Outstanding Litigation	Amount Involved (₹ in million)
V.S.S. Mani	Consumer Complaints	2	1.1
	Criminal Cases	3*	-
	Income Tax	2	1.6
	Notices	3	2.7
Sanjay Bahadur	Consumer Complaints	1	0.8
	Criminal Cases	1	-
	Excise cases	2	-
Ramani Iyer	Consumer Complaints	1	0.8
	Criminal Cases	1	-
V. Krishnan	Consumer Complaints	1	0.8
	Criminal Cases	1	-
Ravi Adusumalli	Consumer Complaints	1	0.8
	Criminal Cases	1	-
B. Anand	Consumer Complaints	1	0.8
	Criminal Cases	1	-
Malcolm Monteiro	Consumer Complaints	1	0.8
	Criminal Cases	1	-
Shailendra Jit Singh	Consumer Complaints	1	0.8

\* Includes the First Information Report dated March 19, 2012 filed by Sujata Roy against V.S.S. Mani and certain employees of our Company which has been quashed by the High Court of Bombay through an order dated August 8, 2012.



### *Litigation against our Promoters*

For details of litigation against V.S.S. Mani, Ramani Iyer and V. Krishnan, please see “Risk Factors - There are outstanding litigation proceedings against our Company, Directors and Promoters – Litigation against our Directors” on page 22.

Please see the section “Outstanding Litigation and Material Developments” on page 338 for further details of the aforementioned legal proceedings.

These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally from us and other parties. Should any new developments arise, such as any change in applicable Indian law or any rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase expenses and current liabilities. An adverse outcome in any such proceedings may affect our business, results of operations and financial condition.

**16. *We have been in the past and may in the future be exposed to infringement claims by third parties that, if determined adversely against us, could cause significant and material damage to our business.***

We have been in the past and may in the future be subject to intellectual property claims against us. Please see the section “Outstanding Litigation and Material Developments” on page 338 for further details of such claims. We cannot assure that we will be able to withstand any third-party claims and, regardless of the merits of the claim, such claims may be expensive and time-consuming to litigate or settle, and could significantly divert our efforts and resources. Such claims may involve complex legal and factual questions and analysis, and we may have to cease our affected business operations or the provision of our products and services during the intervening period when the outcome is pending. In addition, in the event of an adverse outcome in any such claims, we may be liable to pay substantial monetary damages, discontinue any products or services or practices which may infringe or violate the intellectual property which is the subject of the claim, and our brand and reputation could suffer as a result. We may also require licenses to continue such practices or have to redesign our products and services, which may significantly increase our operating expenses, and may not be cost-effective or based on commercially acceptable terms. Our failure to obtain such license of the rights to continue our business practices on a timely basis or at all could prevent us from providing our products and services and adversely affect our business operations.

**17. *We may not be able to reduce our dependency on search engines to direct users to our website.***

We depend on various Internet search engines, who are also our competitors, to drive a substantial portion of our online traffic to our website. The placement of the links to our website on the results of a user search on such search engines is significant for driving online traffic to our website.

In addition, a portion of our users are currently directed to our websites through pay-per-click and display advertising campaigns. We currently have an arrangement with certain Internet search engines to be featured for a certain amount per click through. The pricing and operating dynamics of these campaigns can change rapidly, and we cannot assure that our arrangements with such Internet search engines will not change adversely, or in the event that such changes occur, it will be on commercially acceptable terms. Internet search engines that we utilize may change the logic used on their websites that determines the placement and display or results of a users’ search, change our priority position or change the pricing of their advertising campaigns, in a manner that negatively affects the search engine ranking, of our website or the placement of links to our website. As a result, our access to existing and potential users may become limited as these users may be directed to our competitors or other alternatives. If we are unable to reduce our dependency on search engines, we remain subject to the change in “logic” and pricing and operating dynamics of these search engines, which may lead to a decline in our user traffic and adversely affect our business, financial conditions and results of operations.

**18. *We demerged our IT testing operations to JD Global, which has resulted in a reduction in our capital***

***and profit and loss account and net worth.***

In fiscal 2012, we demerged our IT testing operations to JD Global through a scheme of arrangement which was approved by the High Court of Bombay. For further details, see the sections “Our Business – Demerger of IT Testing Operations” on page 150 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Demerger of IT Testing Operations” on page 321.

In fiscal 2012, the assets of the IT-related testing business, with a book value of ₹ 0.3 million, were transferred to JD Global in the demerger and our Company’s aggregate investment of ₹ 724.8 million in the preference shares of JD Global was cancelled. Accordingly, an amount of ₹ 326.6 million was first adjusted against our securities premium account and the balance ₹ 398.4 million amount was adjusted against our profit and loss account. These adjustments resulted in a decrease of ₹ 725.0 million to our net worth for fiscal 2012.

Whilst the demerger has been undertaken to streamline our business operations and that of JD Global as well as to increase our focus on our core business, there is no assurance that we will be able to achieve the desired benefit from the demerger.

**19. *Our business may be materially and adversely affected by our reliance on SMEs as our target paid advertisers.***

Our target paid advertisers are principally comprised of SMEs from a range of industry sectors in various locations. According to a survey, “Understanding the Marketing & Advertising practices of Advertisers listed with Just Dial”, conducted by The Nielsen Company in March 2011 on our paid advertisers and businesses which utilize our free listings, SMEs usually have limited marketing resources and experience, and typically advertise through the local media such as printed directories or newspapers. The survey also reflects that a majority of these paid advertisers and businesses do not have any concrete long-term marketing plans, with the majority advertising only once a year or even less frequently. The survey also highlighted that such paid advertisers are focused on efficient and immediate return on investment and the quality of leads generated. Typically, in India advertising is a limited and discretionary expense for SMEs.

Some of our paid advertisers’ campaigns as at December 31, 2012 were conducted under advertising contracts with us which can be terminated after nine months by giving three months notice. After the expiration of the initial period of the contract, our paid advertisers may seek to renegotiate for better terms, downgrade their contracts or choose not to continue to advertise with us for various reasons, such as budget restraints or a perceived lack of benefits or returns on investment due to the insufficiency or poor quality of leads generated. We had approximately 61,500 campaigns as of March 31, 2010, approximately 120,200 campaigns as of March 31, 2011 and approximately 171,000 campaigns as of March 31, 2012, representing a growth of approximately 95% from 2010 to 2011 and approximately 42% from 2011 to 2012. We had approximately 195,100 campaigns as of December 31, 2012. However, there is no assurance that we will be able to grow our business further or to maintain our business relationships with our existing paid advertisers. Our failure to renew or extend our advertising contracts or find replacement for our paid advertisers could have a material adverse effect on our business, financial condition and results of operations.

Additionally, consumer purchases generally decline during recessionary periods and other periods due to unavailability of adequate disposable income. Businesses, especially SMEs, which have lesser financial resources than bigger corporations, have incidences of failure and may face difficulties during recessionary periods and economic downturns. They are also likely to decrease their costs and expenses significantly, especially discretionary and non-essential items, such as marketing or advertising expenditure, in such adverse periods.

Even though we provide our search services at no cost to our users, we cannot assure that our user base will not shrink due to a reduction in their spending habits, and therefore decreasing their searches. As such, we may lose our position as an effective and efficient marketing and advertising platform, as well as our existing and potential paid advertisers. Since SMEs, which constitute our target paid advertisers and

which generate substantially all of our revenue from operations, are particularly susceptible and vulnerable to recessionary economic conditions, occurrence of such conditions may result in our revenue generation and financial condition being materially and adversely affected.

**20. *Our distribution of third party data may lead to legal claims such as breach of privacy, defamation, negligence or infringement of intellectual property rights.***

The essence of our business model is the aggregation and distribution of third party data through various platforms, including the Internet. In addition, third-party websites are directly accessible through our websites. As a result, we could be subject to legal claims such as breach of privacy, defamation, negligence or infringement of intellectual property rights. We may be subject to other claims alleging that we provide inaccurate, false or misleading information, which may be deemed to constitute legal, medical, financial or investment advice, especially since we generate revenue from promoting and featuring our paid advertisers to our users in preference to businesses which utilize our free listings.

In one such instance in December 2011, DRS Logistics (P) Limited and Agarwal Packers and Movers Private Limited filed a suit in the High Court of Delhi against Google India Private Limited and us alleging trademark infringement, passing off and unjust enrichment. The plaintiffs alleged that we had used their trademark as a keyword or meta-tag to misdirect potential customers inquiring about details of the plaintiffs to websites of third parties who were allegedly infringing on the plaintiffs' intellectual property rights. This matter is currently pending. Please see the section "Outstanding Litigation and Material Developments" on page 338 for details of these proceedings.

There is also no assurance that our business listings will remain up-to-date and accurate. We may be made party to the claims made by the users, in the event the contents of the business listings provided by our paid advertisers and included in our database are incorrect or misleading. We allow our users to post reviews and ratings of the business on our websites. We attempt to screen reviews and ratings which are posted by our users, to remove offensive and derogatory remarks. Further, GoI has notified the Information Technology (Intermediaries Guidelines) Rules, 2011 (the "Intermediaries Rules") which require persons receiving, storing, transmitting or providing any service with respect to electronic messages to comply with the requirements specified in the Intermediaries Rules, including inter alia, to not host, publish, transmit or share any information prohibited under the Intermediaries Rules and to disable such information after obtaining knowledge of it. For further details, please see the section "Regulations and Policies" on page 151. Particularly with respect to user posted reviews and ratings, in the event that we fail to comply with any of the requirements specified under these rules, we may be subject to damages for breach of law and may also face defamation action against us which could have adverse impact on our business and results of operations.

We may need to incur significant costs and resources to investigate and defend these claims, regardless of the outcome. While we have general business insurance, the amount of coverage we maintain may be insufficient to cover such costs. In addition, implementing stricter measures to reduce exposure to such liability and/or to limit the information collated and provided by our services may result in us being less attractive to our users and paid advertisers which would adversely affect our business, results of operations and financial condition.

**21. *Based on certain qualifications noted by our Auditor in the annexures to their audit reports, there are certain deficiencies in certain aspects of our internal controls over financial reporting, and our business may be adversely affected if we do not adequately address those deficiencies or if we have other deficiencies in our internal controls over financial reporting.***

In connection with the audits of our unconsolidated financial statements, our auditors noted certain qualifications with respect to matters specified in the Companies (Auditors Report) Order, 2003, as amended, in the annexures to their audit reports for fiscal 2010, 2011 and 2012. Based on these qualifications, the following deficiencies have been identified in certain aspects of our internal controls over financial reporting:

Fiscal 2010:

1. proper records showing full particulars, including quantitative details and situation of fixed assets were not maintained in the case of certain furniture and fixtures, computers and plant and machinery, where the records were maintained for groups of similar assets and not for each individual asset;
2. for the assets physically verified by our management during the year, we were still in the process of reconciling the assets physically verified with the books of accounts;
3. the scope and coverage of our internal audit system was required to be enlarged to be commensurate with the size and nature of our business;
4. there was a slight delay in a few cases in the deposit of undisputed statutory dues; and
5. no payments were made to the ESIC.

Fiscal 2011:

1. material discrepancies were identified on verification of fixed assets;
2. there were serious delays in a large number of deposits to the ESIC; and
3. undisputed dues in respect of the ESIC were outstanding, at the end of fiscal 2011, for a period of more than six months from the date they became payable.

The deficiencies identified under (a) and (c) in fiscal 2010 were remedied in fiscal 2011. The physical verification of assets described under (b) in fiscal 2010 was completed in fiscal 2011 and material discrepancies were identified as described under (a) in fiscal 2011. These discrepancies were as a result of our failure to account for the disposal of computers when we vacated some offices. An aggregate amount of ₹ 11.9 million was written off in fiscal 2011 to address such discrepancies. Although the deficiency was addressed in our accounts and did not require any corrective material adjustments in our financial statements, the reports were nonetheless qualified in accordance with the requirements of the Companies (Auditors Report) Order, 2003.

The deficiency identified under (d) in fiscal 2010 was partially remedied. The delays in deposits to the ESIC were significantly reduced in fiscal 2012 from fiscal 2011. In fiscal 2012, there were some delays in the deposit of ESIC. As undisputed dues to the ESIC were outstanding at the end of fiscal 2013 for a period of more than six months from the date they became payable, we expect that this qualification may be repeated in the annexure to the audit report for our unconsolidated financial statements for fiscal 2013 with respect to matters specified in the Companies (Auditors Report) Order, 2003, as amended.

Regarding the outstanding dues to the ESIC as described under (e) above in 2010, (c) above in 2011 and in fiscal 2012 described above, please see the sections “Management’s Discussion and Analysis of Financial Condition and Results of Operations - ESIC” and “Risk Factors – We may have liability under the ESI Act” on pages 322 and 26, respectively.

The existence of any deficiencies in our internal controls over financial reporting in the future could require significant costs and resources to remedy such deficiencies and write-offs. The existence of such deficiencies could cause the investors to lose confidence in our reported financial information and the market price of our Equity Shares could decline significantly. If we are unable to obtain additional financing to operate and expand our business as a result, our business and financial condition could be adversely affected.

**22. *We may have liability under the ESI Act.***

In March 2011, the ESIC authorities issued an order which assessed a liability of ₹ 6.5 million against us for the period from April 2005 to September 2010. The order also preserves the ESIC authorities’ right to inspect our records to determine our contribution under the ESI Act.

During the year ended March 31, 2011, we deposited ₹ 4.5 million with the ESIC under protest and are contesting the remaining ₹ 2.0 million assessed against us. We have appealed against the ESIC assessment order before the Employees' Insurance Court, Mumbai claiming that the provisions of the ESI Act are not applicable to us. A provision of ₹ 30.3 million has been retained in our financial statements as at each of December 31, 2012, March 31, 2012 and March 31, 2011 for any liability that may arise under the ESI Act for the five years ended March 31, 2010.

There can be no assurance that our appeal against the ESIC assessment order will be successful or that the ESIC will not assess an amount under ESI Act in excess of amounts previously assessed or in excess of the amount that we have provided for in our books of accounts. If any of these were to occur, our financial condition could be adversely affected. See "Risk Factors - Based on certain qualifications noted by our auditors in the annexures to their audit reports, there are certain deficiencies in certain aspects of our internal controls over financial reporting, and our business may be adversely affected if we do not adequately address those deficiencies or if we have other deficiencies in our internal controls over financial reporting" on page 25.

**23. *Our business may be adversely affected by changes in competition law in India.***

The Competition Act, 2002, as amended (the "**Competition Act**"), was enacted for the purpose of preventing practices having an adverse effect on competition in India and has mandated the Competition Commission of India (the "**CCI**") to regulate such practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India are void and may result in substantial penalties. Any agreement among competitors which directly or indirectly determines purchase or sale prices, directly or indirectly results in bid rigging or collusive bidding, limits or controls production, supply, markets, technical development, investment or the provision of services, or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or types of goods or services or number of customers in the relevant market or any other similar way, is presumed to have an appreciable adverse effect on competition in the relevant market in India and shall be void. The Competition Act also prohibits the abuse of dominant position by any enterprise. Further, if it is proved that any contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of the contravention and may be punished. We have received a letter dated April 15, 2013 from an organisation named Concern for Citizens which is addressed to SEBI together with certain other authorities including the CCI alleging, among other things, that our Company is indulging in unfair trade practices as the terms and conditions in our Company's contracts with our customers are one-sided, arbitrary, unjust and against the interest of our customers. For details, please see the section, "Outstanding Litigation and Material Developments" on page 338. If we or any of our employees are required to comply with any order of the CCI or are penalised under the Competition Act, our reputation and business may be adversely affected.

The provisions of the Competition Act relating to the regulation of certain acquisitions, mergers or amalgamations which have a material adverse effect on competition in India and regulations with respect to notification requirements for such combinations came into force on June 1, 2011. The manner in which the Competition Act and the CCI affect the business environment in India may also adversely affect our business, financial condition and results of operations.

**24. *We have paid a penalty of ₹ 200,000 to the RBI pursuant to the compounding of our contravention of certain regulations under FEMA, in connection with the remittance of funds to JD USA.***

We received a letter dated July 27, 2011 from the RBI which amongst other things stated that our remittance of US\$300,000 towards share application money of JD USA in October 2006 was not reported to the RBI which was in contravention of the regulations under FEMA. Pursuant to a compounding application filed by us, the RBI through its order dated February 10, 2012 levied a penalty of ₹ 200,000 on us and compounded our contravention. We paid the said amount on February 17, 2012. For further details, please see the section "Outstanding Litigation and Material Developments - Litigation against our Company - Notices" on page 341. Any such regulatory proceedings against us in the future may

adversely affect our financial condition.

**25. *Our Company is not, and does not intend to become, regulated as an investment company under the Investment Company Act and related rules.***

Our Company has not been and does not intend to become registered as an investment company under the Investment Company Act. The Investment Company Act provides certain protections to investors and imposes certain restrictions on companies that are registered as investment companies (which, among other things, require investment companies to have a majority of disinterested directors, provide limitations on leverage and limit transactions between investment companies and their affiliates). None of these protections or restrictions is or will be applicable to our Company. In addition, in order to avoid being required to register as an investment company under the Investment Company Act, our Company has implemented restrictions on the ownership and transfer of our Equity Shares, which may materially affect your ability to transfer our Equity Shares. See the section “Other Regulatory And Statutory Disclosures—Important Information for Investors— Eligibility and Transfer Restrictions.”

**26. *Our financial statements may not be strictly comparable to financial statements of prior periods due to the sale of JD USA.***

With effect from July 22, 2011, we sold our entire shareholding in JD USA, which used to be our U.S. subsidiary, to JD Global, which ceased to be our subsidiary in fiscal 2011.

For fiscal 2011, JD USA had total assets of ₹ 36.3 million and total revenue of ₹ 23.3 million which are reflected in our consolidated financial statements for fiscal 2011. We will receive an annual license fee equal to 1% of JD USA’s net revenues pursuant to a trademark license agreement between us and JD USA. As JD USA is not a subsidiary of our Company since July 2011, we will not consolidate JD USA. Accordingly, our restated consolidated summary statements for fiscal 2011 may not be strictly comparable to our restated consolidated summary statements for fiscal 2012. See the section “Our Business – Divestment of JD USA and International Expansion” on page 149.

As we no longer have any subsidiaries, our financial statements for the nine months period ended December 31, 2012 have been prepared on an unconsolidated basis and may not be strictly comparable to our consolidated statements for fiscal 2012 or prior fiscal years.

**27. *We may not be able to effectively and properly maintain, enhance and utilize our database.***

Our database of business listings and information is one of our material assets and is a key component in our business operations. As our business model is highly dependent on the quality of our products and services, which in turn is substantially dependent on an accurate and extensive database of business listings, it is necessary that we regularly update and supplement our database. In this regard, we principally rely on our database team, our telemarketing and marketing executives as well as on our reseller program to collect, verify and update business listings and information. We also update our database based on feedback from SMEs and our users. The inability of these sources to provide accurate and extensive data on a timely basis or at all, or any failure to maintain up-to-date and accurate data, could significantly and adversely affect our ability to provide useful information to our users. We have no recourse against, nor have been indemnified by, these sources for any loss or damage suffered by us as a result of any discrepancy in the data provided by such sources.

In addition, we may be exposed to claims if the data were found to be improperly collected or disseminated to us by unauthorized persons. Although we believe that the inclusion of contact information of businesses in our database and directories are an effective advertising platform to the benefit of these businesses, we cannot assure that we will not be subject to claims or actions against us by such parties. Any such claims or proceedings in the future would have a material adverse effect on our business, financial condition and results of operations.

**28. *Intellectual property rights are important to our business, and we may be unable to protect them from being infringed by others, including our current or future competitors.***

Our business as a local search service provider is largely dependent on our maintaining and developing an extensive and accurate database of business listings. In addition, we have in-house customization and enhancement of third-party technology to develop and provide higher-quality products and services. All our trademarks, trade secrets, copyrights and other intellectual property rights are our material assets and are crucial to our business operations. We depend on a combination of copyright, trademark laws, trade secret protection, non-competition and confidentiality agreements with our employees, contractors and third party service providers to protect our logo, brand name, domain names, database and customized information technology. We have applied for the registration of various trademarks in India, and while we have obtained registration with respect to some, registration of the others is pending as on the date of this Red Herring Prospectus. In terms of such confidentiality agreements, our key employees are required to acknowledge and recognize that all inventions, trade secrets, works of authorship, developments and other processes made by them during their employment are our property.

Even with such precautions, we cannot assure that our data or proprietary technology will not be copied or obtained by third parties. All our business listings are available on our website, and our competitors could collate these listings and other information, including the identities of our paid advertisers, to produce competing products and services and contact our paid advertisers. In addition, we do not have any exclusive arrangements with our paid advertisers to prevent them from providing data to our competitors. Proving that a competitor had violated our intellectual property rights and obtaining recourse against them, is subject to litigation in court. Further, there may be irreparable damage to our business in the event that our trade secrets are known to our competitors, in which case an award of damages may not be an adequate remedy. We have, in the past, been faced with instances of infringement of our intellectual property rights by others. Please see the section “Outstanding Litigation and Material Developments” on page 338 for further details of such proceedings.

In addition, effective intellectual property rights protection may not be available in every country in which we may operate in the future, and policing unauthorized use of our data or technology is difficult and expensive. While there are copyright and trademark laws in India, there are no specific laws and regulations for the protection of databases. Databases can be registered as copyrights under the Indian Copyright Act, 1957 and are further protected from infringement under the Information Technology Act, 2000 (the “**IT Act**”). However, India has not enacted a specific law which grants additional protection to databases.

We may need to resort to litigation or other proceedings to enforce, protect or determine the validity and scope of our intellectual property rights, especially in relation to our database, and to defend against third party infringements, which may be expensive and resource-consuming and might create uncertainty as to the ownership of such rights, while the case is being decided (which may take substantial amounts of time) and fail to result in a satisfactory remedy or recourse. If we are unable to protect our intellectual property rights with respect to our business, including our database, trademarks and systems and technologies, our ability to compete effectively will be impaired, which will result in our business, financial condition and results of operations being materially and adversely affected.

**29. *The data of our users and paid advertisers may be misappropriated by our employees or sub-contractors and as a result, cause us to breach our contractual obligations in relation to such confidential information.***

There can be no assurance that the confidentiality and non-disclosure agreements entered into with our employees and sub-contractors will adequately prevent the disclosure of confidential information, such as the information relating to our users and paid advertisers, by an employee or a sub-contractor or a sub-contractor’s employee. We may not have sufficient internal controls and processes to ensure that our employees and sub-contractors comply with their obligations under such confidentiality and non-disclosure agreements. If any confidential information is misappropriated by our employees or sub-contractors, our users or paid advertisers may raise claims against us for breach of our contractual obligations. We cannot assure you that we will have adequate recourse against our employees or sub-contractors who disclose or misappropriate confidential information. In the absence of adequate recourse against such employees or sub-contractors, the successful assertion of any claim may have a material adverse effect on our business, financial condition and results of operations.

The IT Act provides for civil and criminal liability including fines and imprisonment for various computer related offenses, which includes unauthorized disclosure of confidential information and failure to protect sensitive personal data. The Government has notified various rules under the IT Act, pertaining to handling, disclosure and protection of sensitive personal data and in relation to storing, transmitting and providing any services with respect to electronic messages. For further details, please see the section “Regulations and Policies” on page 151. As part of our operations, we are required to comply with the IT Act and the rules thereof, failing which we may face claims and actions against us. We may also be restricted in our ability to collect information from our users and paid advertisers under new data protection laws. Our failure to safeguard personal information or collect such information in the future may have a material adverse effect on our business, financial condition and results of operations. The introduction of new IT legislations, including for protection of privacy, may require us to modify our existing systems, or invest in new technologies to ensure compliance with such applicable laws, which may require us to incur additional expenses and adversely affect our financial condition. Change in existing legislations or introduction of new legislations may require us to incur additional expenditure, to ensure compliance with such legislations, which may adversely affect our financial condition.

**30. *We may face difficulties in protecting our domain names and trademarks.***

We have registered our domain name, “www.justdial.com”, and have legal rights over the domain name and the sub-domain names for the period for which such domain names are registered. We conduct our business under the “Just Dial” brand name and logo, and have registered and applied in India for various trademarks derived from the “Just Dial” brand name. For further details, please see the sections “Government and Other Approvals – Intellectual Property Related Approvals” on page 352 and “Our Business – Intellectual Property” on page 148. We have registered two “Just Dial” trademarks in the U.S. Further, we have a licensing agreement with one of our Group Companies, Just Dial Inc., for the use of our “Just Dial” brand. Please see “History and Certain Corporate Matters – Summary of Key Agreements – Trademark license agreement dated August 10, 2011 between JD USA and our Company” on page 162, for further details.

We may, in the future, face claims and legal actions by third parties that are using, or disputing our right to use, the domain names under which our websites currently operate. We may also face the problem of competing websites using domain names that are similar to ours, and have in the past, had to resort to legal actions to restrain the use of domain names similar to ours. We may in the future, be required to resort to similar legal actions to protect our branding and reputation if the need arises. However, if the outcome of any such legal proceedings is adverse to us, we may not be able to adequately protect our brand and reputation, which could have a material adverse effect on our business operations.

The acquisition and maintenance of domain names are generally regulated by Internet regulatory bodies, which may modify their regulatory policies and the requirements for the holding of domain names. We may, therefore, be unable to obtain or maintain relevant domain names in all countries in which we have, or propose to undertake, business operations. We may also face additional difficulties in expanding into any other country and may have to expend considerable time and other resources to obtain domain name registration in such countries. Any delay in acquiring our preferred domain names may provide our competitors the opportunity to obtain such domain names. Therefore, we may be unable to prevent third party competitors from acquiring domain names that are similar to, infringe upon or otherwise decrease the value of, our trademarks and other proprietary rights. We cannot assure you that our business strategy of creating a strong brand and reputation will be successful if we are unable to protect our domain names and trademarks and any such failure may have an adverse effect on our business and results of operations.

**31. *We depend on certain markets for a significant portion of our income from operations.***

While we offer our local search services across various cities and towns in India, as of December 31, 2012, we believe that the Delhi NCR region and Mumbai markets contributed approximately 35% of our campaigns and the 11 largest cities in which we operate contributed approximately 82% of our campaigns. We believe that the number of paid advertisers from these cities who renew or enter into advertising contracts with us are affected, to a large extent, by the condition of the economies of their respective cities and the underlying general business sentiment, as this generally affects the budgets that



the advertisers allocate to their advertising and marketing activities. A contraction of, or a decline in the growth of, the economies of or other factors, such as terrorist attacks and natural disasters, adversely affecting any of these 11 largest cities, especially the Delhi NCR region or Mumbai, could materially and adversely affect our business, financial condition and results of operations.

**32. *We may not be successful in implementing our growth strategies.***

To remain competitive, we have to grow our business by increasing demand by both users and paid advertisers, as well as expanding into new geographic markets in India.

Our success in implementing our growth strategies may be affected by:

- our ability to maintain the quality of our products and services, such as fast, free and reliable response;
- our ability to create brand awareness in the new markets;
- our ability to increase our user base;
- our ability to increase our paid advertiser base and rates;
- our ability to understand local markets and deliver products and services that are meaningful and customized;
- our ability to assess changing preferences and new demands of our users and customize our existing services and also introduce new services to meet such preferences and demands;
- our ability to attract, train and retain employees who have the requisite skills;
- our ability to continue to expand our platform for the provision of our products and services;
- our ability to build, acquire, maintain and update the required technology and systems;
- the general condition of the global economy (particularly of India and the other markets we may operate in) and continued growth in demand for local search services, particularly voice or Internet-based products and services;
- our ability to compete effectively with existing and future competitors, including traditional printed directories and alternative advertising mediums such as newspapers, magazines, television and radio;
- growth of the Internet as a medium for the provision of information and as an effective advertising platform; and
- changes in our regulatory environment.

Many of these factors are beyond our control and there can be no assurance that we will succeed in implementing our strategy. If we are not successful, our business, financial condition and results of operations may be adversely affected.

We may need to raise additional funds to implement our business strategy successfully, such as expanding our sales and marketing operations to increase productivity, developing new technology, upgrading current network and infrastructure systems, and developing new and expand current products and services to generate demand. We cannot assure you that we would be able to raise funds in a timely and cost efficient manner, on commercially acceptable terms, or at all. Our inability to raise additional funds may impair our ability to effectively implement our business strategy. If we cannot obtain such required financing on acceptable terms or at all, we may be forced to curtail some or all of these

expansion plans, which may impair our business growth and results of operations.

**33. *Our ability to attract, train and retain executives and other qualified employees is critical to our business, results of operations and future growth.***

Our business and future growth is substantially dependent on the continued services and performance of our key executives, senior management and skilled personnel, especially personnel with experience in our industry and our information technology and systems. In particular, our founder and Managing Director, V.S.S. Mani, and our senior management are critical to the overall management of our Company. Their inputs and experience are also valuable for the development of our products and services, our work culture, and the strategic direction taken by our Company. In particular, we are dependent on V.S.S. Mani for his leadership, vision and our overall business direction and strategies. While we have keyman insurance for V.S.S. Mani, we cannot assure that it will provide adequate compensation if he leaves our Company. While the attrition rates for our senior management are not significant, any of them may choose to terminate their employment with us at any time. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. The specialized skills we require can be difficult and time-consuming to acquire and/or develop and, as a result, such skilled personnel are often in short supply. We may require a long period of time to hire and train replacement personnel when skilled personnel terminate their employment with our Company. Our ability to compete effectively depends on our ability to attract new employees and to retain and motivate our existing employees. We may be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting skilled employees that our business requires. If we do not succeed in attracting well-qualified employees or retaining or motivating existing employees, our business and prospects for growth could be adversely affected.

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

Employee benefits represent the largest expense for us and our ability to maintain or reduce such costs is critical for our labour-intensive business operations. Employee benefits constituted 64.1% of the total costs of our Company for the nine months period ended December 31, 2012 on an unconsolidated basis. Employee benefits constituted 64.2%, 65.2% and 63.4% of the total costs of our Company from continuing operations for fiscal 2012, 2011 and 2010, respectively, on an unconsolidated basis and 64.2%, 65.2% and 62.8% for fiscal 2012, 2011 and 2010, respectively, on a consolidated basis. The weighted average wage of our employees increased during the nine months period ended December 31, 2012. We may need to continue to increase the levels of our employee compensation to remain competitive and manage attrition, and consequently we may need to increase the prices of our products and services. An increase in wages paid to our employees may result in a material adverse effect on our profits in the event that we are unable to pass on such increased expenditure to our paid advertisers without losing their business to our competitors. Likewise, if we are unable to sustain or increase the number of employees as necessary to meet growing demand, our business, financial condition and results of operations could be adversely affected.

**35. *We have sustained operating losses in the past and may experience earnings declines or operating losses in the future.***

We sustained operating losses for a few years prior to fiscal 2002. We cannot assure you that we can sustain profitability or avoid operating losses in the future. We expect that our operating expenses will increase and the degree of increase in these expenses will be largely based on anticipated organizational growth and revenue trends. As a result, any decrease or delay in generating additional income could result in substantial operating losses.

**36. *Some of our products or services have only recently been introduced and, as a result, it may be difficult to evaluate their performance and prospects.***

Some of the products and services offered by us were introduced very recently. For further details please see the section “Our Business – Our Strategy – Develop New Products and Services” on page 138. As a

result, these products and services have a limited operating history and it may be difficult to evaluate their performance and prospects.

We have invested time and other resources and incurred expenses towards the introduction of these new products and services, including the leasing of an office space for research and development purposes in Bengaluru. In the event that these new products or services do not perform well, we may lose our entire investment in these products and services and the research center, which may result in a material adverse effect on our business, financial condition and results of operations.

**37. *We may undertake acquisitions in the future, which may expose us to additional risks due to our limited past experience in acquiring businesses***

We may in the future acquire additional assets, products, technologies or businesses to complement our provision of products and services. However, we have limited experience in acquiring businesses, and any acquisitions we undertake could limit our ability to manage and maintain our core business. Moreover, such acquisitions could result in adverse accounting treatment or tax consequences. Further, we may not be successful in integrating such new businesses with our core business or may not be able to manage the acquired business appropriately.

Acquisitions, in general, involve numerous risks, including:

- diversion of our management's attention and diversion of resources from our existing business;
- impairment and amortization of substantial goodwill adversely affecting our reported results of operations;
- inability to coordinate product, development, sales and marketing functions;
- transition of operations, users and paid advertisers onto our existing platforms;
- inability to retain the management, key personnel and other employees of the acquired business and integrate them into our core workforce successfully and smoothly;
- inability to assimilate the operations, administrative systems, product, technologies and information systems of the acquired business with our core businesses;
- inability to implement or rectify controls, procedures and policies of the acquired business;
- increase in investment of capital, which may increase our funding requirements;
- insufficient returns on investment which may result in cash flow problems and a decrease in the value of our assets;
- outstanding pre-acquisition liabilities of the acquired business, including intellectual property infringement, non-compliance of laws, commercial disputes, tax liabilities and claims from employees, suppliers, customers, former shareholders or other third parties; and
- inability to retain the acquired businesses' customers, suppliers and affiliates.

Acquired assets or businesses may not generate the financial results we expect. Moreover, the costs of identifying and consummating acquisitions may be significant. In addition to possible shareholders' approval, we may also have to obtain approvals and licenses from the relevant government authorities for the acquisitions and to comply with any applicable laws and regulations, which could result in increased costs and delay. We cannot assure you that we will be able to achieve the strategic objective for such an acquisition. Furthermore, if an acquisition generates insufficient revenues or if we are unable to manage our expanded business operations efficiently, our results of operations could be materially and adversely affected.

**38. *We are currently and may, in future, become involved in commercial disputes which could result in harm to our brand or reputation.***

One of our customers, Acube, issued notices dated October 8, 2011 and December 19, 2011 against our Promoter and Managing Director, alleging that we did not provide the agreed services to Acube after receiving payments from Acube under the advertising contracts entered into between us and Acube. Acube also issued a notice dated December 23, 2011 to our Promoter and Managing Director for initiating winding-up proceedings against us. For further details on the notices received from Acube, please see the section “Outstanding Litigation and Material Developments – Litigation against our Company – Notices” on page 341. Acube has also communicated the complaints that it has filed against us to various authorities including the Finance Minister of India, the Home Minister of India and the SEBI.

Further, we have filed a lawsuit against Acube in the High Court of Bombay which states that Acube published false and defamatory material concerning us on the Internet by alleging that we did not comply with the advertising contracts entered into with Acube and stating that we have over 5,000 consumer complaints pending against us. We are seeking a permanent injunction against Acube to restrain them from publishing any further defamatory statements concerning us. We have also sought a decree directing Acube to withdraw the defamatory publications against us from the Internet and other media.

On April 20, 2012, the High Court of Bombay granted a temporary injunction restraining Acube from publishing or circulating any further defamatory material against us and asking Acube to show cause as to why the permanent injunction we have sought should not be granted. This matter is currently pending. We have also filed a criminal complaint against Ashish Roy, the proprietor of Acube on the grounds of defamation and criminal intimidation. For further details of outstanding litigation between us and Acube, please see the section “Outstanding Litigation and Material Developments” on page 338.

Irrespective of the final outcome of the Acube lawsuits, this matter is an example of a commercial dispute which may result in harm to our brand and reputation. We may be required to resort to legal actions to protect our brand and reputation if the need arises. However, if the outcome of any such legal proceedings is adverse to us, we may not be able to adequately protect our brand and reputation, which could have a material adverse effect on our business operations and financial condition. For further details, please see the section “Outstanding Litigation and Material Developments” on page 338.

**39. *Future strategic alliances may have a material and adverse effect on our business, reputation and results of operations.***

We may in the future enter into strategic alliances with various third parties. Strategic alliances with third parties could subject us to numerous risks, including risks associated with sharing proprietary information, non-performance of obligations by the strategic partner, the strategic partner creating similar alliances with our competitors and an increase in expenses incurred in establishing new strategic alliances, any of which may materially and adversely affect our business. We may not be able to control or monitor their actions. To the extent strategic third parties suffer negative publicity or harm to their reputation from events relating to their business, we may also suffer negative publicity or harm to our reputation by virtue of our association with such third parties.

**40. *There are no standard valuation methodologies or generally accepted accounting practices or standard of measure of the information technology and related industries.***

We are in the business of providing local search services. However, there are currently no standard valuation methodologies or generally accepted accounting practices or standard of measure of the information technology and related industries. Consequently, any comparison of our Company with other companies engaged in similar businesses may not provide investors with any meaningful information, comparisons or analysis.

Current valuations may not be reflective of future valuations within the telecommunications or the software and information technology industries as our business is not meaningfully comparable with

businesses in these industries.

Our investors may therefore not be able to accurately assess and measure the value of our business factoring in the effectiveness of our products and services, and our potential for growth.

**41. *Breach of our contract with our vendors or third party suppliers may adversely affect our business, financial condition and results of operations.***

We depend upon vendors and third party suppliers to provide us with hardware and software required for the development and provision of our products and services to our users and advertisers.

We may be liable to these vendors and third party suppliers if we are held to be in breach of our contracts with them, which could result in a claim against us for damages. This could have a material adverse effect on our business, financial condition and results of operations. Although we maintain general liability insurance coverage, we cannot assure that the terms and coverage of such insurance policies would be applicable or sufficient to cover the claims raised against us in this regard.

Further, in the event that these vendors do not fulfil their obligations to us under the contract or breach any other terms therein, we may not be able to enforce such obligations or succeed in a claim against them for damages, which could affect our business and financial condition. Additionally, we cannot assure that we will be able to find suitable replacements in a timely manner, if at all. We also cannot assure that any such damages payable would be adequate compensation for our losses. The continuity and quality of our business operations may be adversely affected, which may result in a material adverse effect on our business, financial condition and results of operations.

**42. *Our insurance coverage may be inadequate to satisfy future claims against us.***

We maintain insurance which we believe is typical in our industry in India and in amounts which we believe to be commercially appropriate for a variety of risks, including: fire, burglary, professional liability, group medical and personal accident insurance and key man insurance. However, such insurance may not be adequate to cover all losses or liabilities that may arise from our operations, particularly when the loss suffered is not easily quantifiable. Our insurance policies contain exclusions and limitations on coverage, as a result of which, we may not be able to successfully assert our claims for any liability or loss under the said insurance policies. Additionally, there may be various other risks and losses for which we are not insured because such risks are either uninsurable or not insurable on commercially acceptable terms. Furthermore, there can be no assurance that in the future we will be able maintain insurance of the types or at levels which we deem necessary or adequate or at premiums which we deem to be commercially acceptable.

The occurrence of an event for which we are not insured, where the loss is in excess of insured limits occurs or where we are unable to successfully assert insurance claims from losses, could result in uninsured liabilities. Further, despite such uninsured losses we may remain obligated for any financial indebtedness or other obligations related to our business. Any such uninsured losses or liabilities could result in an adverse effect on our business operations, financial conditions and results of operations.

**43. *Our contingent liabilities not provided for could adversely affect our financial condition.***

As of December 31, 2012, we had the following contingent liabilities that had not been provided for:

*Income tax demands:* We have appealed our income tax assessments for assessment years 2003-2004, 2006-2007, 2007-2008, 2008-2009 and 2009-2010. Our total contingent liability for income tax demands is ₹ 12.4 million as at December 31, 2012.

Please see the section “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Contingent Liabilities” on page 335 for more information.

Any or all of these contingent liabilities may become actual liabilities. In the event that any of our contingent liabilities become non-contingent, our business, financial condition and results of operations

may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal year or in the future.

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

We have entered into transactions with several related parties, including the license of our registered office in Mumbai from two of our Promoters, V.S.S. Mani and Anita Mani, the sale of the shares held by us in Just Dial Inc. to JD Global and the demerger of certain of our Company's undertakings to JD Global pursuant to a scheme of arrangement filed before the High Court of Bombay. For more information regarding our related party transactions, please see the section "Related Party Transactions" on page 185. These transactions may involve conflicts of interests which may be detrimental to our Company. We cannot assure you that such transactions could not have been made on more favourable terms with unrelated parties.

**45. *We have applied for, but not yet received, certain registrations, licenses, approvals and clearances.***

We have applied for but have not obtained registrations in relation to 34 trademarks of our Company and two copyright applications. Further, some of the registrations are required to be amended due to changes in the name of our Company and the address of our premises. Please see the section "Government and Other Approvals" on page 350 for further details. If we are unable to obtain these registrations, licenses, approvals or clearances in a timely manner, or if at all, we may not be able to carry on our business operations, or we may not have protectable interests in our intellectual property.

**46. *We have been unable to locate certain of our corporate records with respect to the increase of our initial authorised share capital.***

We have been unable to locate certain of our corporate records such as the minutes of the shareholder's meeting and the form filed with the registrar of companies, with respect to the increase of our initial authorized share capital of ₹ 100,000 divided into 10,000 Equity Shares to ₹ 1,000,000 divided into 100,000 Equity Shares. Details regarding the increase in the initial authorized share capital have been ascertained based on the minutes of the meetings of the Board of Directors. For further details, please see the sections "Capital Structure" and "History and Certain Corporate Matters" on pages 78 and 154.

**47. *We have issued Equity Shares during the last one year at a price that may be below the Offer Price.***

During the last one year we have issued Equity Shares at a price that may be lower than the Offer Price as detailed in the following table:

<b>Sr. No.</b>	<b>Name of Person/Entity</b>	<b>Date of Offer</b>	<b>No. of Equity Shares</b>	<b>Issue price (₹)</b>	<b>Reason</b>
1.	SAIF	May 11, 2012	159,598	-	Allotted pursuant to conversion of Preference Shares Series A.
2.	Tiger Global Four JD Holdings	May 11, 2012	35,967	-	Allotted pursuant to conversion of Preference Shares Series A.
3.	V.S.S. Mani	May 11, 2012	1	-	Allotted pursuant to conversion of Preference Share Series B.
4.	EGCS	May 11, 2012	484,030	-	Allotted pursuant to conversion of Preference Shares Series C.
5.	SAPV	May 11, 2012	484,030	-	Allotted pursuant to conversion of Preference Shares Series C.
6.	SAIF	May 11, 2012	8,777,890	-	Allotment on account of the bonus offer in the ratio 55:1, undertaken on April 24, 2010, upon conversion of Preference Shares Series A and in accordance with the terms of the Shareholders' Agreement.

Sr. No.	Name of Person/Entity	Date of Offer	No. of Equity Shares	Issue price (₹)	Reason
7.	Tiger Global Four JD Holdings	May 11, 2012	1,978,185	-	Allotment on account of the bonus offer in the ratio 55:1, undertaken on April 24, 2010, upon conversion of Preference Shares Series A and in accordance with the terms of the Shareholders' Agreement.
8.	Ramkumar Krishnamachari	June 11, 2012	15,518	10	Allotted pursuant to exercise of options granted under ESOP 2010
9.	Sandipan Chattopadhyay	June 11, 2012	368,610	-	Allotment on account of the bonus issue in the ratio 55:1 undertaken on April 24, 2010 upon exercise of options granted under ESOP 2008
10.	Shakeeb Shaikh	June 11, 2012	6,600	-	Allotment on account of the bonus issue in the ratio 55:1 undertaken on April 24, 2010 upon exercise of options granted under ESOP 2008.
11.	Certain employees of our Company	June 11, 2012	66,402	80	Allotted pursuant to exercise of options granted under ESOP 2010
12.	Sequoia I	July 21, 2012	2,568,243	488.66	Allotted pursuant to share subscription agreement dated June 21, 2012 between Sequoia I, Sequoia II and our Company.
13.	Sequoia II	July 21, 2012	2,568,243	488.66	Allotted pursuant to share subscription agreement dated June 21, 2012 between Sequoia I, Sequoia II and our Company.
14.	Certain employees of our Company	September 28, 2012	15,953	80	Allotted pursuant to exercise of options granted under ESOP 2010
15.	Certain employees of our Company	January 23, 2013	28,029	80	Allotted pursuant to exercise of options granted under ESOP 2010
16.	Ramkumar Krishnamachari	January 23, 2013	31,035	10	Allotted pursuant to exercise of options granted under ESOP 2010
17.	Certain employees of our Company	April 3, 2013	97,744	80	Allotted pursuant to exercise of options granted under ESOP 2010
18.	Sandipan Chattopadhyay	April 3, 2013	245,740	-	Allotment on account of the bonus issue in the ratio 55:1 undertaken on April 24, 2010 upon exercise of options granted under ESOP 2008
19.	Certain employees of our Company	May 4, 2013	21,376	80	Allotted pursuant to exercise of options granted under ESOP 2010

**48. Our Group Companies have incurred losses.**

Except for Just Dial Inc., USA for fiscal 2012, certain of our Group Companies have incurred losses in fiscal 2010-2012, as set forth in the table below:

Name of Group Company	Fiscal 2012	Fiscal 2011	Fiscal 2010
Just Dial Global Private Limited (in ₹)	(238.5)	(97.2)	(0.4)

<b>Name of Group Company</b>	<b>Fiscal 2012</b>	<b>Fiscal 2011</b>	<b>Fiscal 2010</b>
<i>million</i>			
Just Dial Inc., USA ( <i>in US\$</i> )	66,287	(28,661)	(62,885)

**49. *Grants of stock options under our employee stock option plans may result in a charge to our profit and loss account and will, to that extent, reduce our profits.***

All of the options remaining to be granted under our 2008 and 2010 employee stock option plans (“ESOPs”) have lapsed and we do not intend to grant any further options under these schemes. We may in future, have ESOPs, under which eligible employees may participate, subject to the requisite approvals having been obtained. Under Indian GAAP, the grant of stock options under ESOPs will result in a charge to our profit and loss account equal to the intrinsic value which is based on the difference between the fair value of shares determined at the date of grant and the exercise price. In addition to the impact on the profit and loss account, the grant of stock options will also dilute the interests of our shareholders. The intrinsic value will be amortized over the vesting period of these stock options.

**EXTERNAL RISK FACTORS**

**50. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, may adversely affect our business and financial performance.***

Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business, including those relating to consumer protection, telecommunications, Internet and privacy. Please see the section “Regulations and Policies” on page 151 for details of the laws currently applicable to us.

There can be no assurance that the Government may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations.

Our voice and text-based services are subject to the telemarketing guidelines and the restrictions provided for therein. Some examples of these restrictions include separation of network resources used for telemarketing from other resources, reporting of call data records to authorities, denial of providing switched telephony etc. On December 1, 2010, the TRAI issued the Customer Preference Regulations. The Customer Preference Regulations, among other things, prohibit the transmission of unsolicited commercial communication, except commercial communication relating to certain categories specifically chosen by the customers and certain exempted transactional messages. When responding to users who call our call centres for search services, we provide the information sought by our customers through text (SMS). We believe that the information disseminated by us is not unsolicited commercial communication since it is provided pursuant to requests made by our users. However, in the event that the dissemination of information by us through text (SMS) is determined to be unsolicited commercial communication, may be subject to regulatory sanctions in terms of the Customer Preference Regulations. The Customer Preference Regulations contain provisions for blacklisting of telemarketers who commit repeated violations of the Customer Preference Regulations and for consequent prohibition from accessing telecom resources for a period of two years. We may have to utilize alternate modes of communication to continue providing our services, for which we may be required to incur substantial expenditure and spend considerable time and other resources. Any violation of the Customer Preference Regulations may, therefore, have a material adverse effect on our business and results of operations. Please see the section “Regulations and Policies” on page 151 for further details.

Such unfavourable changes to the laws and regulations applicable to us could also decrease demand for our products, increase costs and/or subject us to additional liabilities. For example, the number of laws



and regulations pertaining to telecommunications and the Internet may increase, which may relate to liability for information transmitted over or retrieved from telecommunications or mobile networks or the Internet, user privacy, taxation and the quality of products and services provided through telecommunication mediums.

In December 2012, the Companies Bill was tabled before and passed by the lower house of the Indian Parliament. The Companies Bill provides, *inter alia*, for significant changes to the regulatory framework governing the issue of capital by companies, corporate governance, audit matters and corporate social responsibility. The Companies Bill has not yet been tabled before the upper house of the Indian Parliament. The Companies Bill will require the approval of the upper house of the Indian Parliament, as well as the approval of the President of India and publication in the Official Gazette before becoming law. There is therefore no certainty that the Companies Bill will be passed in its current form, or at all. Our business and operations may be adversely affected and subject to regulatory uncertainty if the legislation is enacted. We have not determined the impact of this legislation on our business.

The application of various Indian and international sales, value-added and other tax laws, rules and regulations to our products and services, currently or in the future, is subject to interpretation by the applicable taxation authorities. Many of the statutes and regulations that impose these taxes were established before the growth of the Internet and mobile networks. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and/or subject us to penalties and, if we pass on such costs to our users and advertisers, it may result in a decrease in the demand for our products and services. Further, changes in capital gains tax or tax on capital market transactions or sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

- 51. *Our Equity Shares have never been publicly traded and the Offer may not result in an active or liquid market for our Equity Shares. Further, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Offer Price, or at all.***

Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market on the Indian Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for our Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India and volatility in the Stock Exchanges and securities markets elsewhere in the world.

- 52. *Any future issuance of Equity Shares may dilute your shareholdings, and sales of our Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of the Equity Shares.***

Any future equity issuances by us may lead to the dilution of investors' shareholdings in our Company. In addition, any sales of substantial amounts of our Equity Shares in the public market after the completion of this Offer, including by our Promoters or other major shareholders, or the perception that such sales could occur, could adversely affect the market price of our Equity Shares and could materially impair our future ability to raise capital through offerings of our Equity Shares. Our Promoters currently hold an aggregate of 37.1% of our outstanding Equity Shares. After the completion of the Offer, our Promoters and members of our Promoter Group will continue to hold 33.1% of our outstanding Equity Shares. We cannot predict what effect, if any, market sales of our Equity Shares held by our Promoters or other major shareholders or the availability of these Equity Shares for future sale will have on the market price of our Equity Shares.

- 53. *Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to investors' assessments of our financial condition.***

Our financial statements included in this Red Herring Prospectus are prepared in accordance with Indian GAAP and restated in accordance with the SEBI Regulations. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. Each of U.S. GAAP and IFRS differs in significant respects from Indian GAAP. Accordingly, the degree to which the financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

- 54. *We cannot assure you that our Equity Shares will be listed on the Stock Exchanges in a timely manner or at all, which may restrict your ability to dispose of the Equity Shares.***

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted by the BSE, the NSE and MCX-SX until after the Equity Shares offered in the Offer have been Allotted. In addition, we are required to deliver this Red Herring Prospectus and the Prospectus to the RoC for registration under the applicable provisions of the Companies Act and the SEBI Regulations. We cannot assure you that the RoC will register this Red Herring Prospectus or the Prospectus in a timely manner, or at all. Such approval will require all other relevant documents authorising the issuance of the Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the BSE, the NSE and the MCX-SX. Any failure or delay in obtaining such approval would restrict your ability to dispose of your Equity Shares.

- 55. *Our failure to successfully adopt new accounting standard when required under Indian law could have a material adverse effect on our stock price.***

Our Company may be required to prepare our annual and interim financial statements under new Indian accounting standards that the Ministry of Corporate Affairs has announced will be implemented in phases. Because there is significant lack of clarity on the adoption of and convergence with the new Indian accounting standards and there is not yet a significant body of established practice on which to draw in forming judgments regarding its implementation and application, we have not determined with any degree of certainty the impact that such adoption will have on our financial reporting. There can be no assurance that our financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under the new Indian accounting standards than under current Indian GAAP. As we transition to reporting under the new Indian accounting standards, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Moreover, there is likely to be increasing competition for the small number of IFRS experienced accounting personnel as the new Indian accounting standards have been derived from IFRS. There can be no assurance that our adoption of new Indian accounting standards will not adversely affect our reported results of operations or financial condition. Any failure to successfully adopt new Indian accounting standards when required under Indian law could have a material adverse effect on our stock price.

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

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

57. ***Global economic conditions were unprecedented and challenging during 2008 and 2009 and had an adverse effect on the Indian financial markets and the Indian economy in general, and which, given the same economic conditions in the future, may have a material adverse effect on our business and our financial performance and may have an impact on the price of our Equity Shares.***

Global market and economic conditions were unprecedented and challenging with tighter credit conditions and recession in most major economies continuing into 2010. Continued concerns about the systemic impact of potential long-term and wide-spread recession, energy costs, geopolitical issues, the availability and cost of credit, and the sovereign debt markets have contributed to increased market volatility and diminished expectations for western and emerging economies. These conditions, combined with volatile oil prices, declining business and consumer confidence and increased unemployment, have contributed to volatility of unprecedented levels.

As a result of these market conditions, the cost and availability of credit has been and may continue to be adversely affected by illiquid credit markets and wider credit spreads. Concern about the stability of the markets generally and the strength of counterparties specifically has led many lenders and institutional investors to reduce, and in some cases, cease to provide credit to businesses and consumers. These factors have led to a decrease in spending by businesses and consumers alike and corresponding decreases in global infrastructure spending and commodity prices. Continued turbulence in the international markets and economies and prolonged declines in business consumer spending may adversely affect our liquidity and financial condition, and the liquidity and financial condition of our users and advertisers, including our ability to refinance maturing liabilities and access the capital markets to meet liquidity needs.

The levels of instability and volatility in markets in the global economy and financial markets, including, without limitation, stock markets, foreign exchange markets, commodity markets, fixed income markets and credit markets, have, in turn, adversely affected the economy in India. According to the Centre for Monitoring Indian Economy in November 2012, the GDP growth rate of India decelerated to 6.5 per cent. in fiscal 2012 compared with 8.4 per cent. growth in fiscal 2011. According to RBI's Third Quarter Review of Monetary Policy 2012-2013, the baseline projection of GDP growth rate from fiscal 2012 to fiscal 2013 was revised downwards from 5.8 per cent to 5.5. per cent. The Central Statistics Office of Ministry of Statistics and Programme Implementation has, in a press release dated February 28, 2013, estimated that a 4.5% growth rate in GDP in the third quarter of fiscal 2013 as compared to the third quarter of fiscal 2012. India recorded a current account deficit of US\$ 32.6 billion in the last quarter of 2012, reaching a record deficit in the last five years.

In particular, the performance and growth of our business are necessarily dependent on the health of the overall Indian economy, in particular the economic conditions of Mumbai, Delhi NCR region and nine other cities from which we derived substantially all of our campaigns as of December 31, 2012, March 31, 2012 and 2011. Any downturn in the rate of economic growth in India, and especially in these cities, whether due to political instability or regional conflicts, economic slowdown elsewhere in the world or otherwise, may have a material adverse effect on demand for our products and services. Further, the Indian Rupee may exhibit a downward trend and this may lead to a sell down by foreign investors which may in turn result in a fall in the price of our Equity Shares.

Any future slowdown or adverse impact in the global markets which will affect the Indian financial markets and the Indian economy in general, especially our 11 largest cities from which we derived substantially all of our campaigns as of December 31, 2012, could result in a material adverse effect on our business, our financial performance and the prices of our Equity Shares.

58. ***Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.***

The Government has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The Government has in recent years sought to implement economic reforms and the current government has implemented policies and undertaken

initiatives that continue the economic liberalization policies pursued by previous governments. There can be no assurance that liberalization policies will continue in the future. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. A newly elected government (as a result of the upcoming general elections) may announce new policies or withdraw existing benefits, which may be applicable to our industry. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

**59. *Government regulation of foreign ownership of Indian securities may have an adverse effect on the price of the Equity Shares.***

Foreign ownership of Indian securities is subject to Government regulation. In accordance with foreign exchange regulations currently in effect in India, under certain circumstances the RBI must approve the sale of the Equity Shares from a non-resident of India to a resident of India or vice-versa if the sale does not meet the requirements of the RBI Circular dated October 4, 2004, as amended by the RBI Circular dated May 4, 2010. The RBI must approve the conversion of the Rupee proceeds from any such sale into foreign currency and repatriation of that foreign currency from India unless the sale is made on a stock exchange in India through a stock broker at the market price. As provided in the foreign exchange controls currently in effect in India, the RBI has provided the price at which the Equity Shares are transferred based on a specified formula, and a higher (or lower, as applicable) price per share may not be permitted. There are also restrictions on sales between two non-residents if the acquirer is impacted by the prior joint venture or technical collaboration. The approval from the RBI or any other government agency may not be obtained on terms favourable to a non-resident investor in a timely manner or at all. Because of possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increase or limiting losses during periods of price decline.

**60. *Terrorist attacks, civil unrests and other acts of violence in India and around in the world could adversely affect the financial markets, result in a loss of consumer confidence and adversely affect our business, results of operations, financial condition and cash flows.***

Terrorist attacks, civil unrests and other acts of violence or war in India and around in the world may adversely affect worldwide financial markets and result in a loss of consumer confidence and ultimately adversely affect our business, results of operations, financial condition and cash flows. India has, from time to time, experienced instances of civil unrest and political tensions and hostilities among neighbouring countries. Political tensions could create a perception that an investment in Indian companies involves higher degrees of risk and on our business and price of our Equity Shares.

**61. *Natural calamities could have a negative effect on the Indian economy and cause our business to suffer.***

India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in the past few years. The extent and severity of these natural disasters determines their effect on the Indian economy. The erratic progress of a monsoon would also adversely affect sowing operations for certain crops. Further prolonged spells of below normal rainfall or other natural calamities in the future could have a negative effect on the Indian economy, adversely affecting our business and the price of our Equity Shares.

**Prominent Notes**

1. Our Company was incorporated as A&M Communications Private Limited on December 20, 1993, at New Delhi, as a private limited company under the Companies Act. Subsequently, the registered office of our Company was shifted to the State of Maharashtra with effect from August 30, 2004 and a certificate dated December 16, 2004 of registration of the order of the Company Law Board confirming transfer of the registered office from one state to another was issued by the Registrar of Companies, Maharashtra. The name of our Company was changed from A&M Communications Private Limited to Just Dial Private

Limited on December 26, 2006. Our Company was converted into a public limited company on July 22, 2011 and consequently, the name was changed to Just Dial Limited. For details of change in name and the Registered Office of our Company, please see the section “History and Certain Corporate Matters” on page 154.

2. Public Offer of 17,497,458 Equity Shares for cash at a price of ₹ [●] per Equity Share through an offer for sale by the Selling Shareholders aggregating up to ₹ [●] million. The Offer will constitute 25.02% of the fully diluted post-Offer paid-up equity capital of our Company.
3. A discount of 10% to the Floor Price is being offered to Retail Individual Bidders. The Price Band, minimum Bid Lot and the rupee amount of the Retail Discount will be decided by our Company and the Selling Shareholders in consultation with the BRLMs and will be advertised at least five Working Days prior to the Bid/Offer Opening Date.
4. As of March 31, 2012, our Company’s net worth was ₹ 1,033.67 million as per the restated consolidated summary statements and ₹ 1,033.67 million as per the restated unconsolidated summary statements. Further, as of December 31, 2012, our Company’s net worth was ₹ 4,048.13 million as per the restated unconsolidated summary statements.
5. As of March 31, 2012, the net asset value per Equity Share was ₹ 14.74 as per the restated consolidated summary statements and was ₹ 14.74 as per the restated unconsolidated summary statements. Further, as of March 31, 2012, the net asset value per Equity Share (after retrospective adjustment of bonus issue and outstanding financial instruments) was ₹ 15.91 as per the restated consolidated summary statements and was ₹ 15.87 as per the restated unconsolidated summary statements. As of December 31, 2012, the net asset value per Equity Share was ₹ 58.29 as per the restated unconsolidated summary statements. Further, as of December 31, 2012, the net asset value per Equity Share (after retrospective adjustment of bonus issue and outstanding financial instruments) was ₹ 57.51 as per the restated unconsolidated summary statements. Our Company has issued Equity Shares after December 31, 2012. For details, please see the section “Capital Structure” on page 78.
6. The average cost of acquisition of Equity Shares by our Promoters is as follows:

<b>Name of the Promoter</b>	<b>Average cost of acquisition of Equity Shares</b>
V.S.S. Mani	₹ 0.64 per Equity Share
Anita Mani	₹ 0.60 per Equity Share
Ramani Iyer	₹ 0.00 per Equity Share
V. Krishnan	₹ 0.00 per Equity Share

7. For details of related party transactions entered into by our Company with its Group Companies during the last financial year, please see the section “Related Party Transactions” beginning on page 185.
8. There has been no financing arrangement whereby the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company other than in normal course of the business of the financing entity during the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus, except as stated below:

Pursuant to loan agreement dated June 5, 2012, our promoter, V.S.S. Mani has provided a loan of ₹ 30.00 million to Sandipan Chattopadhyay, one of our key management personnel, for the purpose of exercising certain employee stock options granted to him by our Company under the Just Dial Employee Stock Option Scheme 2008. This loan has been repaid by Sandipan Chattopadhyay. For the details of the employee stock options granted to Sandipan Chattopadhyay, please see the section “Capital Structure – Employee Stock Option Plan – Just Dial Employee Stock Option Scheme 2008” on page 96.
9. Investors may contact the BRLMs for complaints, information or clarifications pertaining to the Offer.
10. Our Company has entered into a trademark license agreement dated August 10, 2011 with our Group Company, JD USA in relation to the use of our brand “Just Dial”. Further, our Company has entered into

a services agreement dated March 29, 2011 with our Group Company, JD Global for providing support services to JD Global including infrastructure facilities and functional workstations on a non-discriminatory basis. For further details in relation to the trademark license agreement and the services agreement, please see the section “History and Certain Corporate Matters – Summary of Key Agreements – Trademark licensing agreement dated August 10, 2011 between JD USA and our Company” on page 162. Except as stated above, none of the Group Companies have any business or other interest in our Company.

## SECTION III: INTRODUCTION

### SUMMARY OF INDUSTRY

*Our Company's ability to implement its business strategy may be affected by various factors that have an influence on its operations or on the industry segment in which our Company operates. Such factors have been disclosed in the section entitled "Risk Factors" on page 15. The "Summary of Industry" section should be read in conjunction with such risk factors.*

*The information in this section is derived from reports of various governmental agencies, market research reports and other publicly available sources. This includes the information available on the websites of, in the reports or adapted from the reports of and/or from the databases of, United States Central Intelligence Agency "World Factbook" (the "CIA Factbook"); the Economist Intelligence Unit ("EIU"); the Central Statistical Organisation, Government of India ("CSO"); the Ministry of Statistics and Programme Implementation ("MOSPI"); McKinsey & Company "The 'Bird of Gold': The Rise of India's Consumer Market," May 2007 (the "McKinsey Report"); the Ministry of Micro, Small and Medium Enterprises, Government of India (the "Ministry of MSME"), Annual Report 2012; the Telecom Regulatory Authority of India ("TRAI"); and Netscribes (India) Pvt. Ltd. ("Netscribes"), Reports "Local Search Market -India", May 2012, "Online and Offline Classifieds - India", May 2012 and "Online Advertising Market - India, May 2012 (the "Netscribes Reports") and Internet World Stats statistics available at <http://www.internetworldstats.com>. Neither we nor any other person connected with the Issue has verified this information. Industry reports and publications generally state that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and investment decisions should not be based on such information. Accordingly, prospective investors are advised not to unduly rely on the information in this section when making their investment decisions.*

*We commissioned the Netscribes Reports for the purposes of confirming our understanding of the industry in connection with the Issue. Neither we nor any other person connected with the Issue has verified the information in the Netscribes Reports. Netscribes has advised that: The reports are published for general information only, and although high standards have been used in the preparation, Research on India and Netscribes is not responsible for any loss or damage arising from use of these documents. Prospective investors are advised not to unduly rely on the Netscribes Reports when making their investment decision. The Netscribes Reports contains estimates of market conditions based on samples. This information should not be viewed as a basis for investment and references to Netscribes should not be considered Netscribes' opinion as to the value of any security or the advisability of investing in us.*

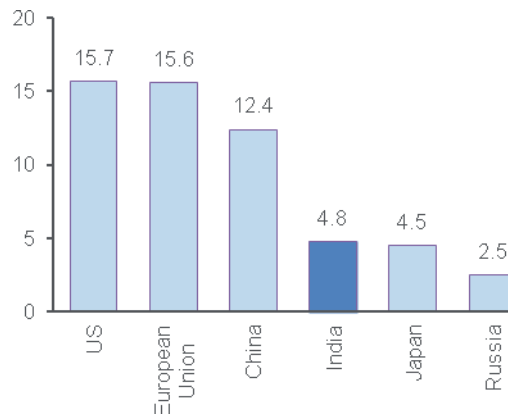
#### **The Indian Opportunity**

India is one of the world's most populous countries with an estimated population of approximately 1.21 billion as of July 2012, which equates to 17.2% of the world population, according to the CIA Factbook.

Over the last few years, India has also shown strong economic growth. According to MOSPI Annual Reports, the growth rate for India's gross domestic product ("GDP") was 8.0%, 8.6% and 6.9% for 2009-2010, 2010-2011 and 2011-2012, respectively. According to the CIA Factbook, India's GDP, on a purchasing power parity basis was estimated to be approximately \$4.8 trillion in 2012, making it the fourth largest economy in the world after the United States (\$ 15.7 trillion), the European Union (\$15.6 trillion) and China (\$12.4 trillion). Economic liberalization in India, which began in 1991, led to reduced controls on foreign trade and investment which accelerated the country's GDP growth, which has averaged more than 6.5% annually since 1997. According to the CIA Factbook, in 2010, the Indian economy rebounded robustly from the global financial crisis largely on the back of strong domestic demand, and grew at over 8% year-on-year. However, GDP growth slowed down to 6.5% in 2012.

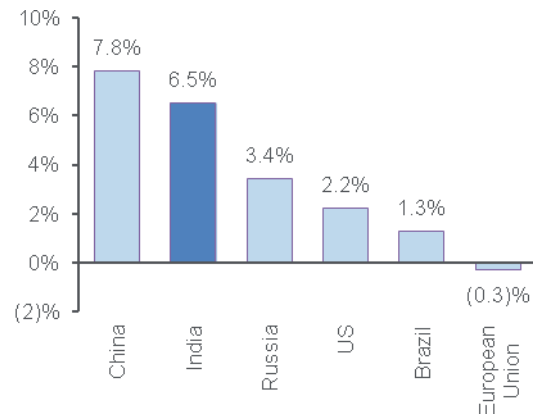
### **India: 4<sup>th</sup> Largest Economy Globally**

**GDP at Purchasing Power Parity (US\$ Tn)**



### **India: 4<sup>th</sup> Largest Economy Globally**

**GDP Growth – 2012 Estimates**



Source: CIA World Factbook

### **Favourable Demographics in India**

Economic liberalization in India, which began in 1991, transformed Indian demographics through rising income levels and changing consumption patterns. According to the McKinsey Report, the country's income pyramid is expected to change, with India's middle class (India's middle class is defined as households with annual income of between ₹ 200,000 to ₹ 1,000,000) expected to grow by over ten times to 583 million people by 2025. According to the 2011 Census Report, India has 734 towns and cities with a population higher than 45,000 people. With a growing population, the creation of a large middle class and rising incomes, the McKinsey Report projects discretionary spending to increase from 50.0% of India's average household consumption to approximately 70% by 2025.

The McKinsey Report suggests that if India continues on its current high growth path, the Indian consumer market will undergo a major transformation during the period from 2005 to 2025, which is expected to result in, among other things, the following: income levels are expected to almost triple, with annual real income growth per household expected to accelerate from 2.8% over the past two decades to 3.6% over the next two; India is expected to become the world's fifth largest consumer market by 2025; and consumption is expected to increase by 7.3% annually over the next 20 years to reach more than ₹ 69.5 trillion, or \$1.5 trillion, by 2025.

According to the McKinsey Report, some of the key reasons for the growth of India's consumer markets are population growth with favourable demographics, rising income levels, dramatic change in the country's income pyramid, increasing consumption and increased discretionary spending, including rapid growth in communications spending.

### **Small and Medium Enterprises (SMEs) in India**

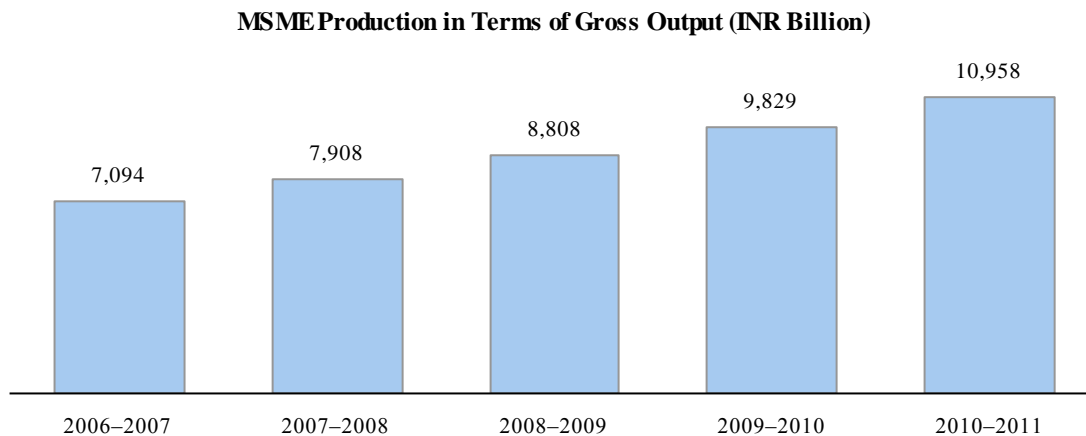
Small and medium enterprises contribute to the economic development of India through industrial production, exports and employment generation. The socio-economic policies adopted by India since the Industries (Development and Regulation) Act 1951 have focus on promotion and development of SMEs. The Ministry of



MSME is the governing body at the national level and designs policies, programmes, projects and schemes and monitors their implementation with a view to assist SMEs.

The Ministry of MSME estimates that, in terms of value, the SME industry accounts for about 45% of India's manufacturing output and 40% of the total exports of the country. According to the Ministry of MSME, the industry is estimated to employ about 73.2 million people in over 31.2 million units throughout the country. Further, according to the Ministry of MSME, this sector has consistently registered a higher growth rate than the rest of the industrial sector.

According to the Ministry of MSME Annual Report 2012, MSME's production in terms of gross output has been growing steadily from ₹ 7,094 billion in 2006 - 2007 to ₹ 10,958 billion in 2010 - 2011, representing a CAGR of 11.5%.

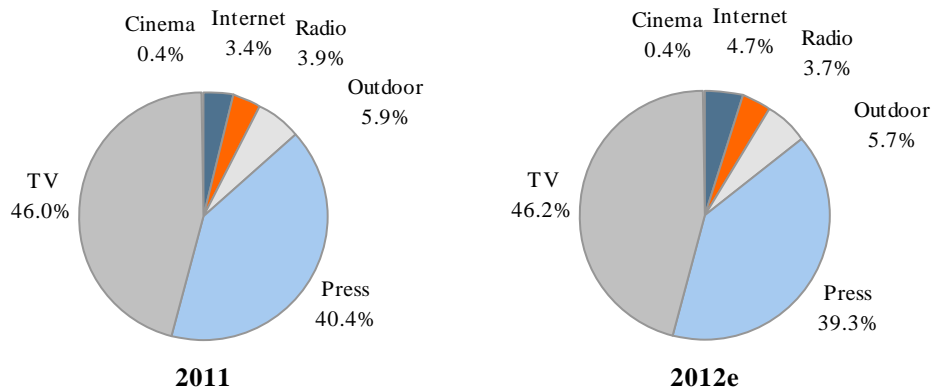


Source: Ministry of MSME Annual Report 2012

### **The Indian Advertising Market**

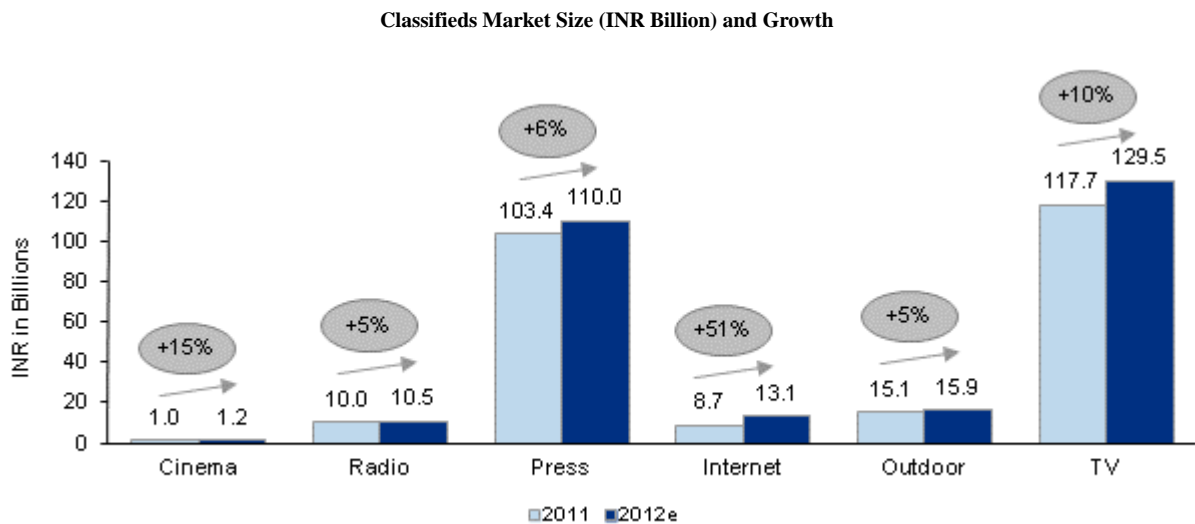
According to the Netscribes' Report: "*Online Advertising Market - India, May 2012*", the Indian advertising market generated approximately ₹ 255.9 billion in 2011 and is expected to grow to ₹ 369.5 billion by 2015, a growth rate of 9.6%. Currently advertising through television represents the largest segment of the Indian advertising market with a 46.0% share of the overall market, following by print advertising with a 40.4% share of the overall market. Outdoor advertising comprises about 5.9% of the market, radio advertising about 3.9% and internet about 3.4%. Of all the segments of the advertising market, the internet advertising segment is expected to be the fastest growing segment with an expected growth rate of about 51% between 2011 and 2012.

## Trend of Advertising Revenues



Source: Netscribes.

## Segment Growth Rates



Source: Netscribes.

### Online Advertising

All information in this section is derived from the Netscribes' Report: "Online Advertising Market - India, May 2012".

Among the various means of advertising, internet advertising is expected to exhibit the fastest growth of 51% between 2011 and 2012. This is due to the growing penetration of internet among individuals and emergence of fast technology oriented online mediums that are driving the interests of end consumers, as well as the rising usage of internet on mobile phones.

The online medium promotes various metric systems of cost models, allowing the advertisers to optimize their return on investment. Online advertisement is cost effective and lower priced as compared to TV, radio or print. In addition, online advertising is an efficient and effective sales medium that enables advertisers to provide intricate details, features and specifications that allow them to strategically target a set of desired consumers. The number of responses can be measured, which allows the advertiser to measure the return on investment and strategize better for future campaigns. Amongst all media, online medium also has the easiest global reach for targeting a global audience. It also has the flexibility in terms of the inventory volume, advertisement type and unparalleled targeted advertising options. Online advertising also allows the advertisers to directly engage with current and potential customers for real time engagement, awareness, feedback and lead generation.

The growth in online advertisement is driven by several factors, including the growing internet base in India, coupled with options including mobile internet, and the growing trend of social media networking platform. Apart from the domestic market, online advertisement is an effective medium to target expatriate Indians who, number more than 30.0 million and, browse Indian content regularly. However, online advertising also faces certain challenges, such as the lack of trust due in part to misleading or incomprehensive information and the prerequisite of literacy.

#### *Local Indian Search Market*

All information in this section is derived from the Netscribes' Report: "*Local Search Market - India, May 2012*".

According to Netscribes, the local search market generally comprises offline and online search services. Offline local search services primarily includes print directory and phone based searches, where the chief source of revenue is advertisement fees paid by the business entities. Online local search involves the use of localized portals that allow users to search for geographically constrained results from a database of local listings. Major players have multi-channel access including phone, web and mobile portals, and advertising is the main source of revenue.

The local search market has evolved from word of mouth and print directories as a mode of getting local information to professional phone, web-based and voiced-based and mobile phone search services.

For online search services, listing may be free or sponsored. Sponsored results get greater visibility as they are highlighted and are given preference over the other listings. Other revenue sources include database sharing or syndication by sourcing for listing or powering search results, partnering with global search engines or selling contact details of users to businesses for marketing activities. For offline search services, players come out with printed copies of local directories or operate phone-based services to respond to queries over the phone. The major source of revenue is the advertisement fee paid by the advertisers.

Due to consumers becoming more receptive towards phone based searches, the offline search services market has expanded. With the proliferation of technology and advancement in the current market scenario, consumers are driven more towards saving time and effort. Most leading players have call centres which provide instant response to consumer queries. The key driver for online search services is the proliferation of internet, including mobile internet, and the growing number of users in India. Consumers find it convenient to conduct search on the internet for any services or product required, especially with the reduction in price of access devices, launch of 3G network and innovative data plans that facilitate the use of internet on mobile internet. Local online search services help provide better visibility to small and local business owners by providing a scope to market and publicize their products and services and to reach a larger audience in a cost effective manner compared to traditional advertising media like TV and newspapers.

However, local offline search services face challenges such as lower acceptance in corporate culture and global drive towards a paperless environment. Local online search services are limited by generic search engines, the lack of awareness, low English literacy rate and language barriers and insufficient information and the lack of comprehensive databases.

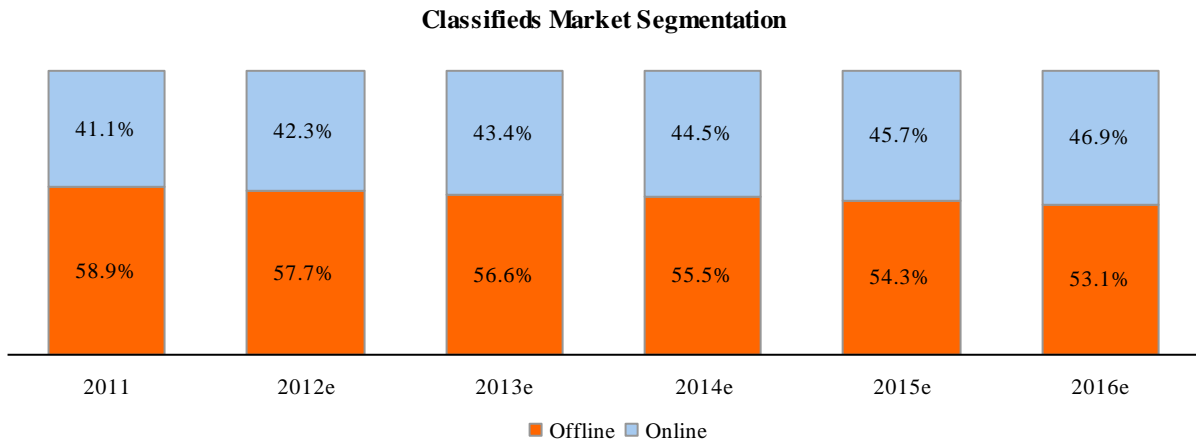
The players in the local search services market include Justdial, AskLaila, Burrp, Getit, Infomedia18, Metromela, Onyomo, Sulekha and Timescity. Many of these players provide both offline and online local search services.

### Local offline and online classifieds

All information in this section is derived from the Netscribes' Report: "Online and Offline Classifieds - India May 2012".

According to Netscribes, classifieds is a distinct type of advertising medium with both offline and online modes that usually comprises text with no graphics and short statements about the requirements of the buyer or the seller. It is becoming an increasingly popular mode of advertising. In 2011, the market segment for offline and online classifieds was 58.9% and 41.1%, respectively. With growing internet usage, the online classifieds segment is growing rapidly. It is estimated that the market segment will become 53.1% and 46.9%, respectively, by 2016.

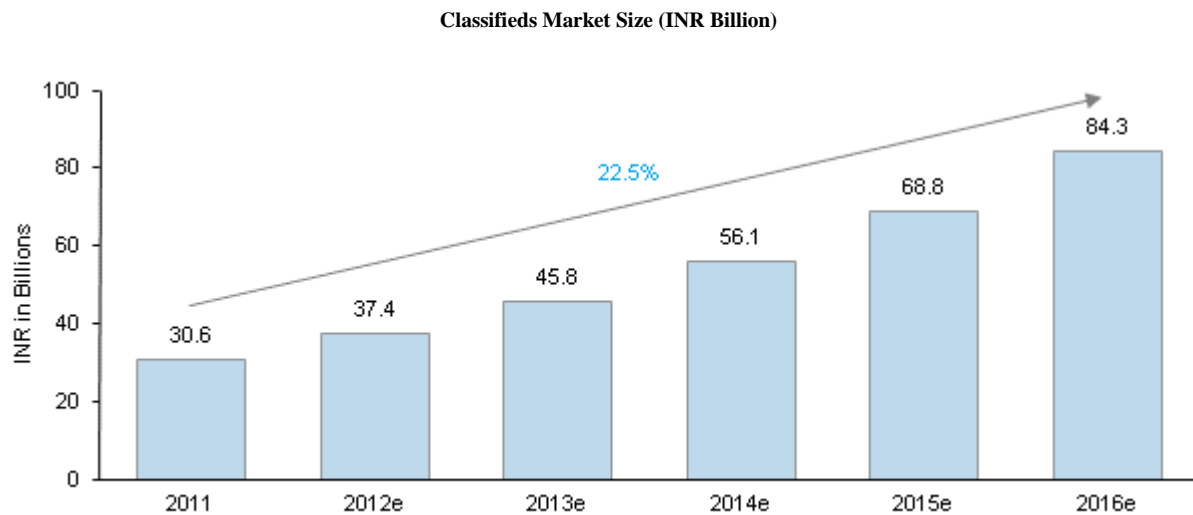
### Classifieds Market Segmentation



Source: Netscribes.

It is expected that the classifieds market in India will be driven by the growth in services sector, favourable demographics and growth in the advertising industry. The size of the classifieds market has grown from ₹ 30.6 billion in 2011 and is expected to reach ₹ 84.3 billion in 2016.

### Classifieds Market Size and Growth



Source: Netscribes.

Offline classifieds comprises of print media, while online classifieds comprises of horizontal or general /

multipurpose classifieds website or vertical sites in jobs, real estate and matrimonial websites. Both the offline and online markets are growing on account of increasing penetration of print media and the internet. For offline classifieds, generally various types of classified advertisers and newspaper publishing houses come together to offer classified advertisements through the print media, with a revenue structure that is primarily determined by various factors associated directly with the costs of the classified advertisements. For online classifieds, advertisers are generally required to register with the respective portal and pay membership fees upfront to become a registered subscriber, with major sources of revenue generated from paid subscriptions, paid memberships, paid listings, leads generated, brokerage charges and database access.

Offline classifieds market has grown consistently over the last few years and will grow further due to increasing print penetration, especially in tier two and tier three cities. The growth of the offline classifieds market is also driven by the presence of newspapers in various vernacular languages as it provides a huge scope to cater to a large section of the population. In addition, growing readership base of newspapers in India, due to growing literacy and new technologies, will contribute to the growth of offline classifieds. The online classifieds market has grown due to increasing market penetration as consumers are increasingly using online classifieds as it is more convenient. In addition, online classifieds are more cost effective as they can obtain more exposure than through traditional print media. The online classifieds market is also driven by the strong growth in online advertising which is expected to increase from ₹ 18.5 billion in 2011 to ₹ 69.1 billion in 2015. Generally, the classifieds market is expected to grow due to the favourable demographics of India; it is the second most populous country worldwide with one of the largest young populations, which equates to a large demand for classifieds services. In addition, growth in the services sector acts as a driver, as it has opened up a large number of job opportunities and increased the disposable income in India, and consequently, increased the advertisements by, among others, job recruiters, automobile and real estate sectors.

Offline classifieds face challenges such as the lesser space for advertisements, especially display advertisements, becoming a major bottleneck as it restricts the scope of advertisement exposure, unlike online classifieds which offers various advertising forms, such as listings, banners, featured advertisements, home page panels and micro sites. The low visibility and coverage of offline classifieds also restricts the growth of its market, as they are contained only in a segment of the print media and are limited to the distribution area.

The low presence of vernacular languages in online classifieds medium poses a barrier for the online classifieds market and restricts the market, as non-familiarity with English may alienate people from using online media and choose print media instead. The absence of strong online payment mechanism also hinders the growth of the online classifieds market, with low credit card penetration rates and phishing scams and fraudulent methods discouraging the use of online payment modes.

## SUMMARY OF BUSINESS

*Our Company's ability to implement its business strategy may be affected by various factors that have an influence on its operations or on the industry segment in which our Company operates. Such factors have been disclosed in the section entitled "Risk Factors" on page 15. The "Summary of Business" section should be read in conjunction with such risk factors.*

*Unless otherwise stated, the financial information of our Company used in this section has been derived from the Restated Summary Statements*

### OVERVIEW

We believe that we are one of the leading local search engines in India. We provide users of our "Just Dial" search service with information and user reviews from our database of local businesses, products and services across India. Our search service is available to users through multiple platforms: Internet, mobile Internet, telephone (voice) and text (SMS). In fiscal 2012, we addressed over 254.3 million search requests across our platforms. As of December 31, 2012, we were conducting approximately 195,100 campaigns for our paid advertisers.

As one of the first companies to offer local search services in India, we believe that we have a first mover advantage among consumers seeking information on local businesses. We aim to provide fast, free, reliable and comprehensive information to our users, which we believe will create a network effect to attract more search queries. We also believe that we have established Just Dial as a well known Indian brand on the Internet. In addition, through our easy to remember phone numbers and user friendly mobile phone interface, we believe that we have been able to attain significant mind-share with users for their local search needs.

As adapted from a report by McKinsey & Company, India's middle class, generally comprising people with annual income range of ₹ 200,000 to ₹ 1,000,000, is expected to grow by over 10 times to approximately 583 million people by 2025. According to Internet World Stats, as of June 30, 2012, Internet penetration was at 11.4% in India, compared to over 78.1% in the United States. There were approximately 137 million Internet users in India, making it the third largest population of Internet users after China and the United States. According to TRAI, the number of mobile subscribers in India is expected to exceed 1,000 million by 2014. With the growth projected for India's middle class and for Internet and mobile usage in India, we believe our potential user base remains largely untapped and offers significant potential for growth.

We believe our search service bridges the gap between our users and businesses by helping users find relevant providers of products and services quickly while helping businesses listed in our database to market their offerings. We also believe that our search service is particularly relevant to SMEs, which we believe, currently, do not have many other cost effective options to access and advertise to such a large number of potential consumers.

Listing on our search service provides businesses with exposure to users at a time when the users are making a purchase decision. Businesses may choose to pay for a listing to be featured on a priority basis in our search results, which we call a 'campaign'. We call businesses that pay for this service 'paid advertisers'. Many of our paid advertisers conduct multiple campaigns at any given time. Paid advertisers have the flexibility to choose different levels of priority in the search results for different geographic areas and products and services. The number of campaigns increased from approximately 40,500 as of March 31, 2009 to approximately 195,100 as of December 31, 2012.

We have a large database of approximately 9.1 million listings as of March 31, 2013. We believe that by providing fast and free access to our database, we provide a compelling user experience that will create a network effect and attract a large number of users who search for information to Just Dial. These large number of users will, in turn, prompt more businesses to pay for listings and become paid advertisers in order to be featured in our search results on a priority basis.

Our consolidated total revenue from continuing operations increased from ₹ 716.0 million in fiscal 2008 to ₹ 2,770.2 million in fiscal 2012, representing a CAGR of 40.2%. Our consolidated total revenue from continuing operations increased in fiscal 2012 by 47.6% over fiscal 2011. Our consolidated restated profits after tax from continuing operations increased from ₹ 17.1 million in fiscal 2008 to ₹ 522.8 million in fiscal 2012, representing a

CAGR of 135.1%. Our consolidated restated profits after tax from continuing operations increased in fiscal 2012 by 81.4% over fiscal 2011. In the nine months period ended December 31, 2012, our unconsolidated total revenue was ₹ 2,716.1 million and our unconsolidated restated profits after tax from continuing operations was ₹ 470.8 million as per the restated unconsolidated summary statements.

## **OUR COMPETITIVE STRENGTHS**

We believe that we are one of the leading local search engines in India, which belief is attributable to the following competitive strengths:

### **First Mover Advantage in the Indian Local Search Market**

As one of the first companies to offer comprehensive local search services in India, we believe that we have a first mover advantage among consumers seeking information on local businesses. We started offering our local search services in 1996 under the Just Dial brand, and launched our Internet and mobile Internet services in 2007. We aim to provide fast and free access to our large database, which will attract more search queries, which in turn will attract more paid business listings. We believe this creates a self-perpetuating growth cycle that enables us to maintain a position as one of the leading local search engines in India. We believe that a large database of local business listings, such as the one we have developed over several years, requires considerable time and effort to develop, which creates a significant barrier to entry.

### **Strong Brand Recognition**

We believe we have a very strong brand recall in India as evidenced by the 254.3 million searches of our database that were conducted in fiscal 2012 even though historically our brand development has been fuelled primarily through word of mouth by users based on their experience with our service and such users sharing their experiences with others. We believe that the following key factors, among other things, have contributed to the strength of our brand in India:

- Long standing presence in the local search market,
- Strength and quality of our database,
- Fast response to search queries, and
- Consistent delivery of quality user experience.

### **Offer Attractive Value Proposition for SMEs**

We believe that most of the business listings in our database are SMEs, which is the segment of businesses where we focus most of our attention and marketing efforts. We believe that virtually all of the approximately 195,100 campaigns we conducted as of December 31, 2012, were conducted on behalf of paid advertisers, with the majority being SMEs. As of March 31, 2013, our database had approximately 9.1 million business listings across various cities and towns in India, as compared to 7.2 million business listings as of March 31, 2012.

*Cost-effective platform.* We believe that it is a challenge for most SMEs to attract the attention of the right target consumer and to expand into new markets because of their limited marketing budgets and resources. We believe our service facilitates a cost-effective mode of consumer targeting for such SMEs, which otherwise may not be as feasible for them. For example, details of an SME which does not have a website can be available to potential consumers online when the SME is listed in our database.

*Personalized service.* Through our data collection team canvassing the local markets, we establish direct relationships with many of these SMEs. Once we identify our potential advertisers, our marketing executives meet with these SMEs to explain the ease and benefits of advertising with us and to convert business listings into paid listings. Our direct and personal relationships with SMEs are one of the ways we differentiate ourselves from international search engines which operate in India largely on a virtual basis.

*Access to relevant users.* Listing on our search service provides businesses with exposure to users at a time when the users are making a purchase decision.

### **Experience and Expertise in Local Indian Markets**

We have been in operation in the Indian market for approximately 16 years, and our senior management team has wide ranging experience in the search service, advertising and IT industries in India. We believe that our strong knowledge of the Indian market, first hand experience with various market participants (including SMEs and users) and the experience and expertise of our management differentiate us from other generic and local search service providers and enable us to grow in an industry that has historically been difficult to monetize. Our experience, knowledge and infrastructure enable us to establish relationships with SMEs, which we believe are not within the scope and focus of other generic search engines.

### **Multiple Platform Service on a Large Scale**

Users can access our search services and obtain search results through a number of communication media, i.e. Internet, mobile Internet, voice and SMS. We believe we are the only search services company in India that provides users with the option of performing searches and obtaining search results through multiple media on a large scale. We believe that the accessibility of our search services for users is a key attraction for SMEs to become a part of our database and run campaigns as paid advertisers.

We have a large collection of reviews and ratings by users of the businesses listed with us. Users can submit their reviews of businesses, products and services on our website or through our phone service. These reviews and ratings are regularly monitored and uploaded on our website for the benefit of potential users to enhance their search experience and enable them to make informed choices. As of March 31, 2013, approximately 23.0 million reviews and ratings were published on our website. Our multiple platform service enables us to provide reviews and ratings received by us from users on one platform to users across all our other platforms. Our “Tag your Friend” feature helps users see the reviews and ratings from their friends for various business listings, effectively creating a social network to share users’ experience. As of March 31, 2013, 7.6 million friends were “tagged” through this feature.

### **Advanced and Scalable Technology Platform**

Our award-winning technology is the key to effectively integrate the various media we use to provide our services to users, our business listing database, our paid advertisers and our information retrieval officers, or IROs.

Our technology platform is designed to enable our tele-sales executives and IROs to connect effectively to potential advertisers and users seeking information. The Red Hat Enterprise Linux platform we use powers approximately 816 servers for our various intranet and extranet applications. These applications can be accessed by thousands of our IROs from eight centres across India on a daily basis. We believe that our technology platform enables us to provide a fast, efficient and user friendly information service to our users. We believe our platform has a high level of reliability, security and scalability and has been designed to handle high transaction volumes. We have the ability to modulate our technology infrastructure to meet our operational requirements without incurring substantial costs as we use virtual infrastructure wherever possible. Our technology platform has interfaces developed such that we are able to scale up our sales and service capacity rapidly with relatively minimal additional time required for employee training. We have designed the various modules of our technology platform to support our employees at every step of their operations thereby creating a technology leveraged service model which we believe improves the efficiency of our employees.

### **Efficient and Profitable Business Model**

We believe that our business model is efficient as it promotes continuity in subscriptions and cash flows. We also believe that this is a difficult business model for our competitors to replicate due to the challenge of establishing the requisite credibility and relationship with paid advertisers for them to be willing to agree to our payment terms.

*Negligible receivables.* Our paid advertisers make payments in advance of their campaigns in our searches, which we believe significantly reduces our credit risk exposure to our customers. In addition, as a result, we had



outstanding trade receivables of ₹ 4.0 million from our customers as of December 31, 2012, while our unconsolidated restated profit after tax from continuing operations was ₹ 470.8 million from a total revenue of ₹ 2,716.1 million in the nine months period ended December 31, 2012.

*No long-term debt.* We have maintained focus on capital efficiency and have grown without incurring material indebtedness. We have been consistently profitable despite growing rapidly over the past few years. As of December 31, 2012, we had no long-term borrowings (₹ 0.0), which we believe is a competitive advantage for us and a platform to grow our operations without being constrained by significant reliance on external financing sources.

## **OUR STRATEGY**

To sustain our future growth and development, we have employed and will continue to employ the following strategies:

### **Enhance our Users' Experience**

Our objective is to offer free, fast, relevant, reliable and enhanced search results to our users through various communication media.

*Fast response.* We intend to continue to invest in technology to make search algorithms more efficient and adaptable to provide our users with faster access to our database.

*Quality and presentation of database.* We intend to continue to invest in technology to provide our users with more user-friendly access to our growing business database, improve the relevance of our search results, as well as capture and relay other relevant information to our users, such as user reviews and ratings.

*Enhanced user experience.* We are constantly seeking to combine our technology and the content of our database to innovate new products and services to serve our users' needs and preferences. We have dedicated content focusing on popular activities and subjects (such as movies, restaurants and hotels) and we intend to create additional content focusing on certain sub-categories of general businesses, products and services that we believe will be popular with our users.

In order to process more advanced software applications for providing enhanced user experience, and handling increased user traffic, we continuously upgrade the hardware used by us, and develop new software from time to time.

### **Broaden and Deepen the Footprint of Our Service Across India**

While we had approximately 7.7 million listings and 9.1 million listings across various cities and towns in India as of June 30, 2012 and March 31, 2013, respectively, we believe that there is significant opportunity to further deepen our presence in our 11 largest cities, increase our search services beyond our 11 largest cities and to increase the proportionate share of paid advertisers listed in our database and increase user traffic. Among other things, we plan to add new premises and leverage our reseller program to achieve the foregoing.

### **Invest in Further Strengthening Our Brand**

While we believe we are already one of the most popular digital brands in India, we also believe that investment in brand building campaign will help us further strengthen our brand and lead to greater search volume from our users and greater number of paid advertisers. Historically, our Company's brand development has primarily been fuelled through word of mouth by users based on their experience with our service and such users sharing their experiences with others. We believe that the quality of our service and our consistent focus on enhancing user experience has contributed to our Company's brand development with relatively low advertising expenditure.

We believe that increasing the awareness of our brand and services across India further would require online and offline (such as television and outdoor advertisements) direct marketing efforts and brand building strategies. We intend to bring high quality advertisements on popular national television channels in India. We signed up Amitabh Bachchan, a well known celebrity, as our brand ambassador for a period of three years from December

28, 2010.

While we will continue to increase our promotional and marketing activities to help us educate potential users and advertisers on the benefits and various features of our search services, we believe that the quality of our user experience and our database is the best means to strengthen our brand.

### **Expand and Enhance our SME Relationships**

We intend to offer our existing membership packages for listing across more areas in India, and to more categories of businesses and to create additional specialized membership packages for SME categories which witness high user interest. We also intend to further develop dedicated category portals to attract SMEs in particular businesses.

Furthermore, we intend to leverage on our direct relationships with SMEs to educate and explain to them the ease and benefits of running campaigns and advertising with us, with a view to converting their business listings into paid listings and to upgrade the membership packages of our existing paid advertisers.

### **Develop New Products and Services**

We believe that our Just Dial brand, user activity on our platforms, our SME relationships and our experience with data analytics can be leveraged to expand our business by offering new products and services. New products and services that we introduced in fiscal 2012, or which are currently under development, include the following:

*Mobile apps.* We intend to keep up with the latest in mobile Internet technology to provide our search services. Users can use mobile phones which have wireless application protocol, or WAP, to search our database. We also have a strategy to develop our application, or Master App, for major mobile phone operating systems. Our Master App is in use with Android mobile phones and iPhones (that was launched in April 2013). We are in the process of developing it as an application, or app, for use with Blackberry and Windows Phone 7.

*Enabling Transactions.* In collaboration with service providers and vendors, we are in the process of developing the ability for users to complete a number of bookings and purchases which are integrated in the search results from our website, mobile Internet WAP site and our Master App, including reservations at restaurants, home delivery of food (a feature already available on our website), ordering groceries, booking doctors' appointments (which will also be available through voice searches) and taxi bookings.

*Car listings.* We are exploring various areas for users to offer to sell, as well as buy, goods and services through our website, starting with cars. We are in the process of developing a car listings website in which users can research and rate car models being offered for sale, list their cars for sale and receive price quotes from vendors of both new and used cars.

*Quick Quotes.* We are in the process of developing a "Quick Quotes" product that is intended to provide prospective buyers with a price quote from multiple vendors and which will be available 24 hours a day and seven days a week. It is expected that prospective buyers will also receive real time updates of revised quotes by vendors through SMS and email. This service is expected to be available on all four of our platforms: Internet ([www.quickquotes.in](http://www.quickquotes.in)), mobile Internet ([wap.quickquotes.in](http://wap.quickquotes.in)), voice (69999999 and +91 88-8888-8888) and SMS (+91 88-8888-8888).

### **Selective Licensing to Expand Into New Geographic Markets**

In addition to broadening and deepening our presence in India, we believe that our multi-platform local search services model, which enables commerce by connecting SMEs with end-consumers, will be attractive to parties outside India. We plan to expand our operations to other markets as opportunities arise, primarily by licensing the "Just Dial" brand and selling our rights and offering service arrangements to other parties to conduct these operations as we are doing in the U.S. and Canada. See "Business – Divestment of JD USA and International Expansion".

## SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from the restated summary statements.

These restated summary statements have been prepared in accordance with Indian GAAP and the Companies Act and have been restated in accordance with the SEBI Regulations and presented under the section "Financial Statements" on page 187. The summary financial information presented below should be read in conjunction with the restated summary statements, the notes thereto and the sections "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 187 and 320.

### Restated Unconsolidated Financial Information of Assets and Liabilities

Rs. in million

	Particulars	As at					
		31-Dec-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
<b>A</b>	<b>Non-current assets</b>						
	<b>Fixed assets</b>						
	Tangible assets	542.21	326.98	253.94	181.92	136.86	115.45
	Intangible assets	63.56	21.40	17.99	6.33	5.03	7.85
	Capital work-in-progress	-	3.18	-	-	-	-
	Intangible assets under development	11.79	8.72	-	-	-	-
		<b>617.56</b>	<b>360.28</b>	<b>271.93</b>	<b>188.25</b>	<b>141.89</b>	<b>123.30</b>
	Non-current investments	-	-	-	22.51	13.69	13.69
	Deferred tax assets (net)	-	9.14	12.43	27.89	126.87	113.22
	Long-term loans and advances	203.37	203.50	145.23	78.62	36.03	23.95
	Other non-current assets	-	-	-	0.28	0.26	7.24
		<b>820.93</b>	<b>572.92</b>	<b>429.59</b>	<b>317.55</b>	<b>318.74</b>	<b>281.40</b>
<b>B</b>	<b>Current assets</b>						
	Current investments	4,500.69	1,568.00	1,182.22	785.10	402.47	407.04
	Trade receivables	3.97	-	0.60	0.35	0.69	7.71
	Cash and bank balances	257.99	237.35	196.09	113.99	203.43	136.87
	Short-term loans and advances	128.18	59.00	101.58	35.18	39.90	14.07
	Other current assets	21.79	40.48	4.17	-	-	-
		<b>4,912.62</b>	<b>1,904.83</b>	<b>1,484.66</b>	<b>934.62</b>	<b>646.49</b>	<b>565.69</b>
<b>C</b>	<b>Total assets (C= A + B)</b>	<b>5,733.55</b>	<b>2,477.75</b>	<b>1,914.25</b>	<b>1,252.17</b>	<b>965.23</b>	<b>847.09</b>
<b>D</b>	<b>Non-current liabilities</b>						
	Long-term borrowings	-	-	1.49	3.16	-	0.29
	Deferred tax liabilities (net)	1.84	-	-	-	-	-
	Other long-term liabilities	28.80	22.95	15.61	14.79	14.89	41.08
	Long-term provisions	9.85	-	-	-	15.27	14.95
		<b>40.49</b>	<b>22.95</b>	<b>17.10</b>	<b>17.95</b>	<b>30.16</b>	<b>56.32</b>
<b>E</b>	<b>Current liabilities</b>						
	Trade payables	64.36	43.95	49.28	29.76	19.08	27.88
	Other current liabilities	1,562.84	1,325.50	873.19	533.87	450.87	379.64
	Short-term provisions	17.12	12.92	20.59	13.16	14.92	11.01
		<b>1,644.32</b>	<b>1,382.37</b>	<b>943.06</b>	<b>576.79</b>	<b>484.87</b>	<b>418.53</b>
<b>F</b>	<b>Total liabilities (F= D + E)</b>	<b>1,684.81</b>	<b>1,405.32</b>	<b>960.16</b>	<b>594.74</b>	<b>515.03</b>	<b>474.85</b>
<b>G</b>	Share issue expenses (to the extent not written off or adjusted)	-	38.76	-	-	-	-

	Particulars	As at					
		31-Dec-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
<b>H</b>	Share Application money	0.61	-	-	-	-	-
	<b>Net Worth (C - F - G- H)</b>	<b>4,048.13</b>	<b>1,033.67</b>	<b>954.09</b>	<b>657.43</b>	<b>450.20</b>	<b>372.24</b>
	<b>Networth represented by</b>						
<b>I</b>	<b>Shareholders' funds</b>						
	<b>Share capital</b>						
	Equity share capital	694.44	519.08	519.05	8.56	8.56	8.56
	Preference share capital	-	11.64	1.96	2.52	2.52	2.52
	<b>Total Share capital</b>	<b>694.44</b>	<b>530.72</b>	<b>521.01</b>	<b>11.08</b>	<b>11.08</b>	<b>11.08</b>
<b>J</b>	<b>Reserves and surplus</b>						
	Capital redemption reserve	-	-	-	0.87	0.87	0.87
	Securities premium account	2,447.15	-	4.40	381.70	381.70	381.70
	Stock option outstanding account	10.44	8.83	3.24	22.67	8.69	6.14
	General reserve	-	-	-	37.43	37.43	25.31
	Net surplus/(deficit) in the statement of profit and loss	896.10	532.88	425.44	203.68	10.43	(52.86)
	<b>Total Reserves and surplus</b>	<b>3,353.69</b>	<b>541.71</b>	<b>433.08</b>	<b>646.35</b>	<b>439.12</b>	<b>361.16</b>
<b>K</b>	Share issue expenses (to the extent not written off or adjusted)	-	38.76	-	-	-	-
	<b>Net Worth (I + J - K )</b>	<b>4,048.13</b>	<b>1,033.67</b>	<b>954.09</b>	<b>657.43</b>	<b>450.20</b>	<b>372.24</b>

**Restated Unconsolidated Financial Information of Profits and Losses**

**Rs. in million**

Particulars	Nine months period ended 31-Dec-12	For the year ended				
		31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
<b>Income from continuing operations</b>						
Revenue from operations						
Sale of search and other related services	2,643.63	2,593.98	1,796.03	1,160.62	735.39	510.18
Yellow pages publication services	-	-	-	148.45	123.83	185.69
Other operating revenue (revenue from reseller)	1.34	26.63	43.30	-	-	-
Other income	71.17	131.54	37.27	38.56	58.92	20.16
<b>Total revenue</b>	<b>2,716.14</b>	<b>2,752.15</b>	<b>1,876.60</b>	<b>1,347.63</b>	<b>918.14</b>	<b>716.03</b>
<b>Expenses</b>						
Employee benefits expense	1,290.28	1,308.37	947.17	668.82	522.77	420.54
Depreciation and amortisation expense	101.98	90.23	67.88	49.99	38.41	24.46
Finance cost	0.05	0.17	0.29	0.04	0.05	0.14
Other expenses	619.47	639.94	438.29	336.55	257.09	238.62
<b>Total expenses</b>	<b>2,011.78</b>	<b>2,038.71</b>	<b>1,453.63</b>	<b>1,055.40</b>	<b>818.32</b>	<b>683.76</b>
<b>Restated profit before tax and exceptional items from continuing operations</b>	<b>704.36</b>	<b>713.44</b>	<b>422.97</b>	<b>292.23</b>	<b>99.82</b>	<b>32.27</b>
Exceptional items	(15.25)	-	-	-	-	-
<b>Restated profit before tax from continuing operations</b>	<b>689.11</b>	<b>713.44</b>	<b>422.97</b>	<b>292.23</b>	<b>99.82</b>	<b>32.27</b>
<b>Tax expense/(income)</b>						
Current tax	207.35	205.96	119.24	-	35.17	41.87
Deferred tax charge /(credit)	10.98	3.26	15.48	98.98	(13.65)	(33.27)
Fringe benefit tax	-	-	-	-	2.89	2.78
<b>Total tax expense</b>	<b>218.33</b>	<b>209.22</b>	<b>134.72</b>	<b>98.98</b>	<b>24.41</b>	<b>11.38</b>
<b>Restated profit after tax from continuing operations (A)</b>	<b>470.78</b>	<b>504.22</b>	<b>288.25</b>	<b>193.25</b>	<b>75.41</b>	<b>20.89</b>
<b>Discontinuing operation</b>						
Profit before tax from discontinuing operations	-	2.30	-	-	-	-
Tax expense of discontinuing operations	-	0.71	-	-	-	-
<b>Restated Profit after tax from discontinuing operations (B)</b>	<b>-</b>	<b>1.59</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Restated profit for the period/year (A + B)</b>	<b>470.78</b>	<b>505.81</b>	<b>288.25</b>	<b>193.25</b>	<b>75.41</b>	<b>20.89</b>

**Restated Unconsolidated Financial Information of Cash Flows**

**Rs. in million**

Particulars	Nine months period ended 31-Dec-12	For the year ended				
		31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>						
Profit before taxation from continuing operations (as restated)	689.11	713.44	422.97	292.23	99.82	32.27
Profit before taxation from discontinued operations (as restated)	-	2.30	-	-	-	-
<b>Profit before taxation (as restated)</b>	<b>689.11</b>	<b>715.74</b>	<b>422.97</b>	<b>292.23</b>	<b>99.82</b>	<b>32.27</b>
<b>Non cash adjustments to reconcile profit before tax to net cash flows</b>						
Depreciation and amortisation expense	101.98	90.23	67.88	49.99	38.41	24.46
Employee stock compensation expense	3.19	5.60	3.24	13.97	2.55	6.14
Loss/(profit) on sale/scrap of fixed assets (net)	0.11	(0.05)	12.29	(0.16)	(0.71)	(0.31)
Unrealized foreign exchange loss (net)	-	-	0.80	0.05	-	-
Advertisement expenses	-	-	4.40	-	-	-
Loss/(profit) on sale of current investments	(44.43)	(42.29)	(2.78)	(3.07)	(19.73)	0.56
Loss on sale of long term investment	-	0.48	-	-	-	-
Interest income	(1.65)	(4.30)	(2.27)	(8.40)	(7.59)	(4.95)
Dividend income	(11.87)	(43.55)	(28.61)	(25.84)	(29.40)	(14.38)
Interest Expense	0.05	0.17	0.29	0.04	0.05	0.14
<b>Operating profit before working capital changes (as restated)</b>	<b>736.49</b>	<b>722.03</b>	<b>478.21</b>	<b>318.81</b>	<b>83.40</b>	<b>43.93</b>
<b>Movements in Working Capital</b>						
(Increase)/decrease in trade receivables	(3.97)	0.60	(0.25)	0.34	7.03	(6.12)
(Increase)/decrease in short-term loans and advances	(69.19)	(1.65)	(66.70)	4.99	(25.82)	7.62
(Increase)/decrease in long-term loans and advances	(19.81)	(4.26)	(40.81)	(9.11)	(8.90)	22.81
(Increase)/decrease in other current assets	0.06	2.51	(4.16)	-	-	-
Increase/(decrease) in trade payables	20.40	(5.34)	19.52	10.68	(8.79)	10.82
Increase in other current liabilities	238.68	452.49	339.21	81.74	71.84	125.79
Increase/(decrease) in other non-current liabilities	5.85	7.35	0.81	(0.09)	(26.20)	(6.97)
Increase/(decrease) in long-term provisions	9.85	-	-	(1.91)	1.97	(26.69)
Increase/(decrease) in short-term provisions	4.20	(7.68)	7.43	(1.75)	6.51	5.18
<b>Cash flow from operations</b>	<b>922.56</b>	<b>1,166.05</b>	<b>733.26</b>	<b>403.70</b>	<b>101.04</b>	<b>176.37</b>

Particulars	Nine months period ended 31-Dec-12	For the year ended				
		31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Direct taxes paid (including fringe benefit taxes paid) (net of refunds)	(238.02)	(208.84)	(133.19)	(44.57)	(39.73)	(34.18)
<b>Net cash generated from operating activities (A)</b>	<b>684.54</b>	<b>957.21</b>	<b>600.07</b>	<b>359.13</b>	<b>61.31</b>	<b>142.19</b>
<b>B. CASH FLOW USED IN INVESTING ACTIVITIES</b>						
Purchase of fixed assets, including intangible assets, capital work in progress and capital advances	(308.96)	(230.84)	(191.86)	(99.10)	(61.59)	(56.81)
Proceeds from sale of fixed assets	0.21	0.20	16.05	0.35	2.12	0.58
Investment in subsidiaries	-	-	-	(14.11)	-	-
Purchase of current investments	(6,698.16)	(3,932.44)	(2,005.91)	(899.81)	(563.85)	(307.04)
Purchase of long term investment	-	(580.00)	(144.76)	-	-	-
Sale of current investments	3,809.90	3,421.70	1,773.56	525.51	588.14	49.43
Loans given	-	(111.74)	-	-	-	-
Proceeds from loan repaid	-	156.03	-	-	-	-
Proceeds from dilution of shares by subsidiary	-	-	5.25	-	-	-
Investment in bank deposit (with maturity more than three months)	(0.51)	(24.53)	(49.62)	(47.21)	(142.57)	(36.86)
Redemption/maturity of bank deposit (with maturity more than three months)	0.47	22.81	38.95	188.47	42.28	33.24
Interest received	0.04	4.24	1.88	8.40	7.59	4.95
Proceeds from sale of investments in subsidiary	-	22.03	-	-	-	-
Dividend received	11.87	43.55	28.61	25.84	29.40	14.38
<b>Net cash used in investing activities (B)</b>	<b>(3,185.14)</b>	<b>(1,208.99)</b>	<b>(527.85)</b>	<b>(311.66)</b>	<b>(98.48)</b>	<b>(298.13)</b>
<b>C. CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES</b>						
Long term borrowings taken	-	-	-	4.99	-	-
Repayments of long term borrowings	(1.33)	(1.67)	(1.54)	(0.57)	(0.90)	(1.44)
Receipts from issuance of preference shares (including premium)	-	333.86	-	-	-	201.51
Share Application money pending allotment	0.61	-	-	-	-	-
Receipts from issuance of equity shares (including premium)	2,548.07	0.22	0.75	-	-	-
Share issue expenses	(26.10)	(40.91)	-	-	-	-
Interest paid	(0.05)	(0.17)	(0.29)	(0.04)	(0.05)	(0.14)
Dividend paid	-	-	-	-	(2.22)	-
Dividend distribution tax	-	-	-	-	(0.38)	-
<b>Net cash generated from/ (used in) financing activities (C)</b>	<b>2,521.20</b>	<b>291.33</b>	<b>(1.08)</b>	<b>4.38</b>	<b>(3.55)</b>	<b>199.93</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A +</b>	<b>20.60</b>	<b>39.55</b>	<b>71.14</b>	<b>51.85</b>	<b>(40.72)</b>	<b>43.99</b>

Particulars	Nine months period ended 31-Dec-12	For the year ended				
		31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
<b>B + C )</b>						
<b>Cash and cash equivalents at the beginning of the period/year</b>	<b>214.54</b>	<b>174.99</b>	<b>103.85</b>	<b>52.00</b>	<b>92.72</b>	<b>48.73</b>
<b>Total Cash and cash equivalents at the end of the period/year</b>	<b>235.14</b>	<b>214.54</b>	<b>174.99</b>	<b>103.85</b>	<b>52.00</b>	<b>92.72</b>

Components of Cash and Cash Equivalents	Nine months period ended 31-Dec-12	For the year ended				
		31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Cash on hand	6.83	5.89	4.59	0.83	2.63	2.72
Cheques/drafts on hand	-	12.13	18.36	-	-	-
Balance with scheduled banks:						
Current account	228.31	196.52	152.04	103.02	49.37	90.00
	<b>235.14</b>	<b>214.54</b>	<b>174.99</b>	<b>103.85</b>	<b>52.00</b>	<b>92.72</b>



**Restated Consolidated Financial Information of Assets and Liabilities**

**Rs. in million**

	Particulars	As at				
		31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
<b>A</b>	<b>Non-current assets</b>					
	<b>Fixed assets</b>					
	Tangible assets	326.98	253.94	181.94	136.85	115.43
	Intangible assets	21.40	19.27	10.01	11.87	15.34
	Capital work-in-progress	3.18	-	-	-	-
	Intangible assets under development	8.72	-	-	-	-
		<b>360.28</b>	<b>273.21</b>	<b>191.95</b>	<b>148.72</b>	<b>130.77</b>
	Deferred tax assets (net)	9.14	12.43	28.06	126.90	113.24
	Long-term loans and advances	203.50	145.87	78.21	31.75	23.35
	Other non-current assets	-	-	0.28	0.26	7.24
		<b>572.92</b>	<b>431.51</b>	<b>298.50</b>	<b>307.63</b>	<b>274.60</b>
<b>B</b>	<b>Current Assets</b>					
	Current investments	1,568.00	1,159.71	779.85	402.47	407.04
	Trade receivables	-	10.99	0.35	0.69	7.71
	Cash and bank balances	237.35	201.18	121.19	204.32	137.66
	Short-term loans and advances	59.00	86.45	34.76	39.92	14.08
	Other current assets	40.48	4.17	-	-	-
		<b>1,904.83</b>	<b>1,462.50</b>	<b>936.15</b>	<b>647.40</b>	<b>566.49</b>
<b>C</b>	<b>Total assets (C= A + B)</b>	<b>2,477.75</b>	<b>1,894.01</b>	<b>1,234.65</b>	<b>955.03</b>	<b>841.09</b>
<b>D</b>	<b>Non-current liabilities</b>					
	Long-term borrowings	-	1.49	3.16	-	0.29
	Other long-term liabilities	22.95	15.61	14.79	14.89	41.08
	Long-term provisions	-	-	-	15.27	14.95
		<b>22.95</b>	<b>17.10</b>	<b>17.95</b>	<b>30.16</b>	<b>56.32</b>
<b>E</b>	<b>Current liabilities</b>					
	Trade payables	43.95	50.21	30.51	20.12	28.60
	Other current liabilities	1,325.50	874.54	534.82	450.86	379.64
	Short-term provisions	12.92	20.59	13.16	14.92	11.01
		<b>1,382.37</b>	<b>945.34</b>	<b>578.49</b>	<b>485.90</b>	<b>419.25</b>
<b>F</b>	<b>Total liabilities (F= D + E)</b>	<b>1,405.32</b>	<b>962.44</b>	<b>596.44</b>	<b>516.06</b>	<b>475.57</b>
<b>G</b>	Share issue expenses (to the extent not written off or adjusted)	38.76	-	-	-	-
	<b>Net Worth (C - F - G)</b>	<b>1,033.67</b>	<b>931.57</b>	<b>638.21</b>	<b>438.97</b>	<b>365.52</b>
	<b>Networth represented by</b>					
<b>H</b>	<b>Shareholders' funds</b>					
	<b>Share capital</b>					
	Equity share capital	519.08	519.05	8.56	8.56	8.56
	Preference share capital	11.64	1.96	2.52	2.52	2.52
	<b>Total Share capital</b>	<b>530.72</b>	<b>521.01</b>	<b>11.08</b>	<b>11.08</b>	<b>11.08</b>
<b>I</b>	<b>Reserves and surplus</b>					
	Capital redemption reserve	-	-	0.87	0.87	0.87
	Securities premium account	-	4.40	381.69	381.69	381.69
	Stock option outstanding account	8.83	3.24	22.67	8.69	6.14

	Particulars	As at				
		31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
	General reserve	-	-	37.42	37.42	25.30
	Foreign currency translation reserve	-	(0.18)	(0.39)	0.11	(1.39)
	Net surplus/(deficit) in the statement of profit and loss	532.88	403.10	183.45	(0.89)	(58.17)
	<b>Total Reserves and surplus</b>	<b>541.71</b>	<b>410.56</b>	<b>625.71</b>	<b>427.89</b>	<b>354.44</b>
<b>J</b>	Non controlling interest	-	-	1.42	-	-
<b>K</b>	Share issue expenses (to the extent not written off or adjusted)	38.76	-	-	-	-
	<b>Net Worth (H + I + J - K)</b>	<b>1,033.67</b>	<b>931.57</b>	<b>638.21</b>	<b>438.97</b>	<b>365.52</b>

**Restated Consolidated Financial Information of Profits and Losses**

**Rs. in million**

Particulars	For the year ended				
	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
<b>Income from continuing operations</b>					
Revenue from operations					
Sale of search related services	2,593.98	1,796.03	1,160.62	735.39	510.18
Yellow pages publication services	-	-	148.45	123.83	185.69
Other operating revenue (revenue from reseller)	26.63	43.30	-	-	-
Other income	149.63	37.26	38.56	58.92	20.16
<b>Total revenue</b>	<b>2,770.24</b>	<b>1,876.59</b>	<b>1,347.63</b>	<b>918.14</b>	<b>716.03</b>
<b>Expenses</b>					
Employee benefits expense	1,308.37	947.17	668.82	522.77	420.54
Depreciation and amortisation	90.23	67.88	52.53	40.81	26.66
Finance cost	0.17	0.29	0.04	0.05	0.14
Other expenses	639.47	438.29	343.17	260.70	240.21
<b>Total expenses</b>	<b>2,038.24</b>	<b>1,453.63</b>	<b>1,064.56</b>	<b>824.33</b>	<b>687.55</b>
<b>Restated profit before tax from continuing operations</b>	<b>732.00</b>	<b>422.96</b>	<b>283.07</b>	<b>93.81</b>	<b>28.48</b>
<b>Tax expense/(income)</b>					
Current tax	205.96	119.24	-	35.17	41.87
Deferred tax charge /(credit)	3.26	15.49	98.82	(13.65)	(33.27)
Fringe benefit tax	-	-	-	2.89	2.78
<b>Total tax expense</b>	<b>209.22</b>	<b>134.73</b>	<b>98.82</b>	<b>24.41</b>	<b>11.38</b>
<b>Restated profit after tax before minority interests</b>	<b>522.78</b>	<b>288.23</b>	<b>184.25</b>	<b>69.40</b>	<b>17.10</b>
Share in loss of minority interest	-	-	0.09	-	-
<b>Restated profit after tax from continuing operations (A)</b>	<b>522.78</b>	<b>288.23</b>	<b>184.34</b>	<b>69.40</b>	<b>17.10</b>
<b>Discontinuing operation</b>					
Profit/(loss) before tax from discontinuing operations	4.16	(2.01)	-	-	-
Tax expense/(income) of discontinuing operations	(1.21)	0.07	-	-	-
<b>Restated profit/(loss) after tax from discontinuing operations (B)</b>	<b>5.37</b>	<b>(2.08)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Restated profit for the year (A + B)</b>	<b>528.15</b>	<b>286.15</b>	<b>184.34</b>	<b>69.40</b>	<b>17.10</b>

**Restated Consolidated Financial Information of Cash Flows**

**Rs. in million**

Particulars	For the year ended				
	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>					
Net profit before taxation from continuing operations (as restated)	732.00	422.96	283.07	93.81	28.48
Net profit before taxation from discontinued operations (as restated)	4.16	(2.01)	-	-	-
<b>Non cash adjustments to reconcile profit before tax to net cash flows</b>					
Depreciation and amortisation expense	90.96	70.25	52.53	40.81	26.66
Employee stock compensation expense	5.60	3.24	13.97	2.55	6.14
Loss/(profit) on sale/scrap of fixed assets (net)	(0.05)	12.30	(0.16)	(0.72)	(0.30)
Advertisement expenses	-	4.40	-	-	-
Loss/(profit) on sale of current investments	(42.29)	(2.78)	(3.07)	(19.73)	0.56
Profit on sale of subsidiary	(17.51)	-	-	-	-
Unrealized foreign exchange gain (net)	(0.87)	-	-	-	-
Interest income	(2.21)	(1.52)	(8.40)	(7.59)	(4.95)
Dividend income	(43.55)	(28.61)	(25.84)	(29.40)	(14.38)
Interest Expense	0.17	0.29	0.04	0.05	0.14
<b>Operating profit before working capital changes (as restated)</b>	<b>726.41</b>	<b>478.52</b>	<b>312.14</b>	<b>79.78</b>	<b>42.35</b>
<b>Movements in Working Capital</b>					
(Increase)/decrease in trade receivables	(53.37)	(10.64)	0.77	7.03	(6.12)
(Increase)/decrease in short-term loans and advances	(16.36)	(51.53)	5.16	(23.14)	6.82
(Increase)/decrease in long-term loans and advances	(4.26)	(41.87)	(12.98)	(7.91)	24.20
(Increase)/decrease in other current assets	2.52	(4.16)	-	-	-
Increase/(decrease) in trade payables	(5.34)	19.70	10.39	(8.48)	11.54
Increase in other current liabilities	461.59	339.60	82.67	71.58	125.77
Increase/(decrease) in other non-current liabilities	7.35	0.81	(0.09)	(26.20)	(6.97)
Increase/(decrease) in long-term provisions	-	-	(1.91)	1.97	(26.69)
Increase/(decrease) in short-term provisions	(7.67)	7.43	(1.75)	6.51	5.18
<b>Cash flow from operations</b>	<b>1,110.87</b>	<b>737.86</b>	<b>394.40</b>	<b>101.14</b>	<b>176.08</b>
Direct taxes paid (including fringe benefit taxes paid) (net of refunds)	(208.85)	(133.19)	(44.57)	(39.73)	(34.18)
<b>Net cash generated from operating activities (as restated) (A)</b>	<b>902.02</b>	<b>604.67</b>	<b>349.83</b>	<b>61.41</b>	<b>141.90</b>
<b>B. CASH FLOW USED IN INVESTING ACTIVITIES</b>					
Purchase of fixed assets, including intangible assets, capital work in progress and capital advances	(230.84)	(191.83)	(99.11)	(61.58)	(56.81)
Proceeds from sale of fixed assets	0.20	16.05	0.35	2.12	0.58
Purchase of current investments	(3,932.44)	(2,005.91)	(899.81)	(563.85)	(307.04)
Purchase of long term investment	(580.00)	(144.76)	-	-	-
Sale of current investments	3,421.70	1,773.56	525.51	588.12	49.43

Particulars	For the year ended				
	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Loans given	(45.00)	-	-	-	-
Proceeds from loan repaid	156.03	-	-	-	-
Proceeds from dilution of shares by subsidiary	-	5.25	-	-	-
Investment in bank deposit (with maturity more than three months)	(24.53)	(49.62)	(47.21)	(142.57)	(36.86)
Redemption/maturity of bank deposit (with maturity more than three months)	22.81	38.95	188.48	42.28	33.24
Interest received	2.15	1.88	8.40	7.59	4.95
Proceeds from sale of investments in subsidiary	22.03	0.00	0.00	0.00	0.00
Dividend received	43.55	28.61	25.84	29.40	14.38
<b>Net cash generated used in investing activities (B)</b>	<b>(1,144.34)</b>	<b>(527.82)</b>	<b>(297.55)</b>	<b>(98.49)</b>	<b>(298.13)</b>
<b>C. CASH FLOW FROM /(USED IN) FINANCING ACTIVITIES</b>					
Long term borrowings taken	-	-	4.99	-	-
Repayments of long term borrowings	(1.67)	(1.55)	(0.57)	(0.90)	(1.44)
Receipts from issuance of preference shares (including premium)	333.86	-	-	-	201.51
Receipts from issuance of equity shares (including premium)	0.22	0.75	-	-	-
Receipts from issue of equity shares to Minority shareholders	-	-	1.51	-	-
Share issue expenses	(40.91)	-	-	-	-
Interest paid	(0.17)	(0.29)	(0.04)	(0.05)	(0.14)
Dividend paid	-	-	-	(2.22)	-
Dividend distribution tax	-	-	-	(0.38)	-
<b>Net cash generated from / (used in) financing activities (C)</b>	<b>291.33</b>	<b>(1.09)</b>	<b>5.89</b>	<b>(3.55)</b>	<b>199.93</b>
<b>Net increase / (decrease) in cash and cash equivalents ( A + B + C )</b>	<b>49.01</b>	<b>75.76</b>	<b>58.17</b>	<b>(40.63)</b>	<b>43.70</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>180.08</b>	<b>111.06</b>	<b>52.89</b>	<b>93.52</b>	<b>49.82</b>
Cash and cash equivalents pertaining to the demerged/sold subsidiary	(14.55)	(6.74)	-	-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>214.54</b>	<b>180.08</b>	<b>111.06</b>	<b>52.89</b>	<b>93.52</b>

Components of Cash and Cash Equivalents	For the year ended				
	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Cash in hand	5.89	4.59	0.83	2.63	2.72
Balance with scheduled banks :					
Current account	208.65	175.49	110.23	50.26	90.80
	<b>214.54</b>	<b>180.08</b>	<b>111.06</b>	<b>52.89</b>	<b>93.52</b>

## THE OFFER

Offer of Equity Shares <sup>(1)</sup>	17,497,458 Equity Shares
<i>Of which</i>	
Offer for sale by V.S.S. Mani	1,557,658 Equity Shares
Offer for sale by Ramani Iyer	618,174 Equity Shares
Offer for sale by V. Krishnan	632,144 Equity Shares
Offer for sale by Sequoia III	3,207,934 Equity Shares
Offer for sale by SAIF	5,951,231 Equity Shares
Offer for sale by Tiger Global Four JD Holdings	2,811,232 Equity Shares
Offer for sale by Tiger Global Five Indian Holdings	1,742,996 Equity Shares
Offer for sale by EGCS	647,793 Equity Shares
Offer for sale by SAPV	328,296 Equity Shares
A) QIB portion <sup>(2)(3)</sup>	At least 13,123,095 Equity Shares
<i>Of which:</i>	
Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding the Anchor Investor Portion))	459,309 Equity Shares
Balance for all QIBs including Mutual Funds	8,726,858 Equity Shares
B) Non-Institutional Portion <sup>(3)</sup>	Not more than 2,624,618 Equity Shares
C) Retail Portion <sup>(3)(4)</sup>	Not more than 1,749,745 Equity Shares
<b>Pre and post Offer Equity Shares</b>	
Equity Shares outstanding prior to the Offer	69,872,750 Equity Shares
Equity Shares outstanding after the Offer	69,872,750 Equity Shares

Allocation to all categories, except the Retail Portion and the Anchor Investor Portion, if any, shall be made on a proportionate basis.

- (1) *The Equity Shares offered by the Selling Shareholders in the Offer have been held by them for more than a period of one year as on the date of the Draft Red Herring Prospectus.*
- (2) *Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. For further details, please see "Offer Procedure" on page 386.*
- (3) *Under-subscription, if any, in any category, except in the QIB category, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange. At least 75% of the Offer shall be Allotted to QIBs, and in the event that at least 75% of the Offer cannot be Allotted to QIBs, the entire application money shall be refunded forthwith.*
- (4) *A discount of 10% to the Floor Price is being offered to Retail Individual Bidders. The Price Band, minimum Bid Lot and the rupee amount of the Retail Discount will be decided by our Company and the Selling Shareholders in consultation with the BRLMs and will be advertised at least five Working Days prior to the Bid/Offer Opening Date. Retail Individual Bidders can avail the Retail Discount at the time of making the Bid. Retail Individual Bidders shall make the payment towards their Bid net of Retail Discount, i.e., Bid Amount less Retail Discount, at the time of making the Bid.*

*Retail Individual Bidders bidding at the Cut-Off Price shall ensure payment at the Cap Price less Retail Discount, at the time of making the Bid. Retail Individual Bidders, who are not bidding at Cut-Off Price, should ensure that the Bid price per Equity Share (within the Price Band) before adjusting for the Retail Discount, shall be mentioned in the Bid cum Application Form.*

*Please see the section "Offer Procedure – Grounds for Technical Rejections" on page 413, for information on rejection of Bids.*

## GENERAL INFORMATION

Our Company was incorporated as A&M Communications Private Limited on December 20, 1993, at New Delhi, as a private limited company under the Companies Act. Subsequently, the registered office of our Company was shifted to the State of Maharashtra with effect from August 30, 2004 and a certificate dated December 16, 2004 of registration of the order of the Company Law Board confirming transfer of the registered office from one state to another was issued by the Registrar of Companies, Maharashtra. The name of our Company was changed from A&M Communications Private Limited to Just Dial Private Limited on December 26, 2006. Our Company was converted into a public limited company on July 22, 2011 and consequently, the name was changed to Just Dial Limited. For further details, please see the section “History and Certain Corporate Matters – Brief History of our Company” on page 154. For details of the business of our Company, please see the section “Our Business” on page 134.

### Registered Office of our Company

#### Just Dial Limited

Palm Court, Building-M, 501/B  
 5<sup>th</sup> Floor, Besides Goregaon Sports Complex  
 New Link Road, Malad (West)  
 Mumbai 400 064  
 Tel: (91 22) 2888 4060  
 Fax: (91 22) 2882 3789  
 Email: investors@justdial.com  
 Website: www.justdial.com  
 Corporate Identity Number: U74140MH1993PLC150054  
 Registration Number: 11 - 150054

### Address of the Registrar of Companies

Our Company is registered with the Registrar of Companies, Maharashtra, situated at Registrar of Companies, 100, Everest, Marine Drive, Mumbai 400 002.

### Board of Directors

The Board of our Company comprises the following:

Name	Designation	DIN	Address
B. Anand	Chairman and Independent, Non-Executive Director	02792009	D-814, Paradise, Raheja Vihar Powai, Mumbai 400 072
V.S.S. Mani	Managing Director	00202052	2502-B, 25 <sup>th</sup> Floor, Oberoi Sky Heights, Plot No. 120, Lokhandwala Complex, Andheri (West) Mumbai 400 053
Ramani Iyer	Non-Independent, Non-Executive Director	00033559	801-802, Building no. 6, Cedar ‘B’ Wing, Godrej Woodsman Estate, Hebbal Bellari Road, Kempapura, Next to Columbia Asia Hospital, Bengaluru 560 024
V. Krishnan	Non-Independent, Executive Director	00034473	D-604, Anandlok Society Mayur Vihar Phase – 1 New Delhi 110 091
Ravi Adusumalli	Non-Independent, Non-Executive Director	00253613	741, Northland Drive, Salt Lake City, Utah, 84103, U.S.A.
Sanjay Bahadur	Independent, Non-Executive Director	00032590	3B-901/2, Green Acres, CHS Limited, P.L. 325, Lokhandwala Complex, Andheri (West), Mumbai

Name	Designation	DIN	Address
			400 053
Malcolm Monteiro	Independent, Non-Executive Director	00089757	1701/3B, Green Acres Lokhandwala Complex, Andheri (West), Mumbai, 400 053
Shailendra Jit Singh	Non-Independent, Non-Executive Director	01930079	3000, Sandhill Road, Suite 4-180 II Menlo Park California, CA 94025, USA

For further details of our Directors, please see the section “Our Management” on page 164.

### Company Secretary and Compliance Officer

Sachin Jain is our Company Secretary and the Compliance Officer. His contact details are as follows:

#### Sachin Jain

Just Dial Limited  
Palm Court, Building-M, 501/B  
5<sup>th</sup> Floor, Besides Goregaon Sports Complex,  
New Link Road, Malad (West)  
Mumbai 400 064  
Tel: (91 22) 2888 4060  
Fax: (91 22) 2882 3789  
Email: investors@justdial.com

**Investors can contact the Compliance Officer or the Registrar to the Offer in case of any pre- or post-Offer related problems, such as non-receipt of letters of Allotment, credit of Allotted shares in the respective beneficiary account and refund orders.**

All grievances relating to the Offer may be addressed to the Registrar to the Offer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Offer with a copy to the relevant SCSB, giving full details such as name, address of applicant, application number, number of Equity Shares applied for, amount paid on application and designated branch or collection centre, as the case may be, of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidder.

### Book Running Lead Managers

#### Citigroup Global Markets India Private Limited

12<sup>th</sup> Floor, Bakhtawar  
Nariman Point  
Mumbai 400 021  
Tel: (91 22) 6631 9890  
Fax: (91 22) 3919 7844  
Email: justdial.ipo@citi.com  
Investor Grievance e-mail: investors.cgmb@citi.com  
Website:  
<http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm>  
Contact Person: S. Ashwin  
SEBI Registration No.: INM000010718

#### Morgan Stanley India Company Private Limited

18F/19F, Tower 2, One Indiabulls Centre  
841, Senapati Bapat Marg  
Mumbai 400 013  
Tel: (91 22) 6118 1000  
Fax: (91 22) 6118 1040  
Email: JD\_IPO@morganstanley.com  
Investor Grievance e-mail:  
investors\_india@morganstanley.com  
Website:  
[www.morganstanley.com/indiaofferdocuments](http://www.morganstanley.com/indiaofferdocuments)  
Contact Person: Ronak Sandil  
SEBI Registration No.: INM000011203



## Inter-se Allocation of Responsibilities between the BRLMs

The following table sets forth the *inter se* allocation of responsibilities for various activities among the BRLMs for the Offer:

Sr. No	Activity	Responsibility	Co-ordination
1.	Capital structuring with relative components and formalities such as type of instruments, etc.	Citi, Morgan Stanley	Citi
2.	Pre Offer – Due Diligence on our Company, DRHP Drafting, statutory advertisement and compliance and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of Prospectus and RoC filing	Citi, Morgan Stanley	Citi
3.	Coordinating approval of all publicity material other than statutory advertisement as mentioned above including corporate advertisement, brochure, etc.	Citi, Morgan Stanley	Morgan Stanley
4.	Appointment of Bankers to the Offer, printers and public relations agency	Citi, Morgan Stanley	Citi
5.	Appointment of other intermediaries viz. Registrar and Grading Agency	Citi, Morgan Stanley	Morgan Stanley
6.	Non-Institutional (excluding HNI) and Retail Marketing of the Offer, which will cover, inter alia, <ul style="list-style-type: none"> <li>• Formulating marketing strategies, preparation of publicity budget;</li> <li>• Finalizing Media and PR strategy;</li> <li>• Finalizing centers for holding conferences for brokers etc.;</li> <li>• Follow-up on distribution of publicity and Offer material including form, prospectus and deciding on the quantum of the Offer material; and</li> <li>• Finalizing collection centers.</li> </ul>	Citi, Morgan Stanley	Morgan Stanley
7.	International institutional marketing of the Offer, which will cover, inter alia, <ul style="list-style-type: none"> <li>• finalizing the list and division of investors for one to one meetings; and</li> <li>• finalizing road show schedule and investor meeting schedules.</li> </ul>	Citi, Morgan Stanley	Morgan Stanley
8.	HNI marketing	Citi, Morgan Stanley	Citi
9.	Domestic institutional marketing of the Offer, which will cover, inter alia, <ul style="list-style-type: none"> <li>• finalizing the list and division of investors for one to one meetings; and</li> <li>• finalizing road show schedule and investor meeting schedules</li> </ul>	Citi, Morgan Stanley	Citi
10.	Preparation of the roadshow presentation and FAQ	Citi, Morgan Stanley	Morgan Stanley
11.	Finalization of pricing in consultation with our Company and the Selling Shareholders	Citi, Morgan Stanley	Citi
12.	Managing the book, co-ordination with the Stock Exchanges for book building software, bidding terminals and mock trading	Citi, Morgan Stanley	Morgan Stanley
13.	Post-Bidding activities - management of escrow accounts, co-coordinating underwriting, co-ordination of non-institutional allocation, announcement of allocation and dispatch of refunds to Bidders, etc.	Citi, Morgan Stanley	Morgan Stanley

**Legal Advisers to our Company as to Indian Law**

**Amarchand & Mangaldas & Suresh A. Shroff & Co.**

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

**Legal Advisers to the Underwriters as to Indian Law**

**S&R Associates**

One Indiabulls Centre, 1403, Tower 2, B Wing  
841 Senapati Bapat Marg, Lower Parel  
Mumbai 400 013  
Tel: (91 22) 4302 8000  
Fax: (91 22) 4302 8001

**International Legal Advisers to the Underwriters**

**Latham & Watkins LLP**

9 Raffles Place  
#42-02 Republic Plaza  
Singapore 048619  
Tel: (+ 65) 6536 1161  
Fax: (+ 65) 6536 1171

**Legal Advisers to the Promoters as to Indian Law**

**Indus Law**

101, 1<sup>st</sup> Floor  
“Embassy Classic”  
# 11 Vittal Mallya Road  
Bengaluru 560 001  
Tel: (91 80) 4072 6600  
Fax: (91 80) 4072 6666

**Auditors of our Company**

**S.R. Batliboi & Associates LLP**

12<sup>th</sup> Floor, The Ruby  
29, Senapati Bapat Marg  
Dadar (West)  
Mumbai 400 028  
Tel: (91 22) 6192 0000  
Fax: (91 22) 6192 1000  
Email: SRBA@in.ey.com

S.R. Batliboi & Associates LLP was formerly constituted as a partnership in the name of S.R. Batliboi & Associates. With effect from April 1, 2013, S.R. Batliboi & Associates has been converted into a limited liability partnership in the name of S.R. Batliboi & Associates LLP under the Limited Liability Partnership Act, 2008.

**Registrar to the Offer**

**Karvy Computershare Private Limited**

Plot No. 17-24, Vittal Rao Nagar, Madhapur

Hyderabad 500 081  
Tel: (91 40) 4465 5000  
Fax: (91 40) 2343 1551  
Email: justdial.ipo@karvy.com  
Website: <http://karisma.karvy.com>  
Contact Person: M. Murli Krishna  
SEBI Registration No.: INR000000221

#### **Bankers to the Offer and Escrow Collection Banks**

##### **Axis Bank Limited**

Shop nos. 5, 6 and 7, Ground Floor  
Link House, Link Road, Malad (West)  
Mumbai 400 064  
Tel: (91 22) 6141 5420  
Fax: (91 22) 6141 5444  
Email: [goregoan.branchhead@axisbank.com](mailto:goregoan.branchhead@axisbank.com)  
Website: [www.axisbank.com](http://www.axisbank.com)  
Contact Person: Ashish Arora/  
Kirti Pandit/ Shruti Khanna  
SEBI Registration No.: INBI00000017

##### **HDFC Bank Limited**

FIG-OPS Department, Lodha I  
Think Techno Campus, O-3 Level  
Next to Kanjurmarg Railway Station  
Kanjurmarg (East), Mumbai 400 042  
Tel: (91 22) 3075 2928  
Fax: (91 22) 2579 9801  
Email: [uday.dixit@hdfcbank.com](mailto:uday.dixit@hdfcbank.com)  
Website: [www.hdfcbank.com](http://www.hdfcbank.com)  
Contact Person: Uday Dixit  
SEBI Registration No.: INBI00000063

##### **Yes Bank Limited**

IFC Tower 2, 8<sup>th</sup> Floor  
Senapati Bapat Marg, Elphinstone (W)  
Mumbai 400 013  
Tel: (91 22) 3347 7251  
Fax: (91 22) 2421 4504  
Email: [dlbtisservices@yesbank.in](mailto:dlbtisservices@yesbank.in)  
Website: [www.yesbank.in](http://www.yesbank.in)  
Contact Person: Shankar Vichare/ Mahesh Shirali  
SEBI Registration No.: INBI00000935

#### **Bankers to our Company**

##### **Axis Bank Limited**

Shop nos. 5, 6 and 7, Ground Floor  
Link House, Link Road, Malad (West)  
Mumbai 400 064  
Tel: (91 22) 6141 5420  
Fax: (91 22) 6141 5444  
Email: [goregoan.branchhead@axisbank.com](mailto:goregoan.branchhead@axisbank.com)  
Website: [www.axisbank.com](http://www.axisbank.com)  
Contact Person: Ashish Arora/  
Kirti Pandit/ Shruti Khanna

##### **Citibank N.A.**

Bombay Mutual Building, 293  
Dr. D.N. Road, Fort  
Mumbai 400 001  
Tel: (91 22) 4029 6485  
Fax: (91 22) 2653 2108  
Email: [karthik.kasiraman@citi.com](mailto:karthik.kasiraman@citi.com)  
Website: [www.online.citibank.co.in](http://www.online.citibank.co.in)  
Contact Person: Karthik Kasiraman

##### **HDFC Bank Limited**

G/1, Woodrose, Swami Samarth Nagar  
Lokhandwala Complex, Andheri (West)  
Mumbai 400 058  
Tel: (91 22) 2639 6398  
Fax: (91 22) 2634 7989  
Email: [richa.priya@hdfcbank.com](mailto:richa.priya@hdfcbank.com)  
Website: [www.hdfcbank.com](http://www.hdfcbank.com)  
Contact Person: Richa Priya

## **Credit Rating**

As this is an offer of Equity Shares there is no credit rating for the Offer.

## **IPO Grading Agency**

This Offer has been graded by CRISIL, through letter dated April 16, 2013, as 5/5, indicating that the fundamentals of the Offer are strong relative to the other listed equity securities in India. The IPO grade is assigned on a five-point scale from 1 to 5, with IPO grade 5/5 indicating strong fundamentals and IPO grade 1/5 indicating poor fundamentals. For details in relation to the IPO grading report issued by CRISIL, please refer to “Annexure – IPO Grading Report”. Attention of the investors is drawn to the disclaimer of CRISIL appearing in the IPO grading report issued by CRISIL.

## **Monitoring Agency**

The Offer being an offer for sale, our Company will not receive any proceeds from the Offer and is not required to appoint a monitoring agency for the Offer.

## **Trustees**

As this is an Offer of Equity Shares, the appointment of trustees is not required.

## **Experts**

Except as stated below, our Company has not obtained any expert opinions:

- (i) Our Company has received written consent from the Auditor namely, S.R. Batliboi & Associates LLP to include its name as an expert under Section 58 of the Companies Act in this Red Herring Prospectus in relation to the reports of the Auditor dated April 3, 2013 on the restated unconsolidated summary statements and August 8, 2012 on the restated consolidated summary statements and the statement of tax benefits dated April 17, 2013 included in this Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of this Red Herring Prospectus for registration with the RoC. However, the term “expert” shall not be construed to mean an “expert” as defined under the Securities Act.
- (ii) The report of CRISIL in respect of the IPO grading for the Offer, which will be annexed to this Red Herring Prospectus; CRISIL, the IPO Grading Agency engaged by us for the purpose of obtaining IPO grading in respect of this Offer, has given its written consent to include its name as an expert in relation to the inclusion of its report in the form and context in which it appears in this Red Herring Prospectus and such consent and report has not been and will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

## **Self Certified Syndicate Banks**

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>. For details of the Designated Branches of the SCSBs which shall collect Bid cum Application Forms submitted by ASBA Bidders, please refer to the above-mentioned link.

## **Registered Brokers**

In terms of SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012, Bidders can submit Bid cum Application Forms in the Offer using the stock broker network of the Stock Exchanges, i.e., through Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at [http://www.bseindia.com/Markets/PublicIssues/brokercentres\\_new.aspx?expandable=3](http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3) and

[http://www.nseindia.com/products/content/equities/ipos/ipo\\_mem\\_terminal.htm](http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm), respectively, and on the website of MCX-SX at <http://www.mcx-sx.com/members/Membership/Current-Membership/Pages/Membership-Directory.aspx> and <http://www.mcx-sx.com/members/Membership/Current-Membership/Authorised-Person/Pages/Directory.aspx>.

### **Book Building Process**

The book building, in the context of the Offer, refers to the process of collection of Bids on the basis of this Red Herring Prospectus within the Price Band, which will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs, and advertised at least five working days prior to the Bid/Offer Opening Date. The Offer Price is finalised after the Bid / Offer Closing Date. The principal parties involved in the Book Building Process are:

- our Company;
- the Selling Shareholders;
- the BRLMs;
- the SCSBs;
- the Registrar to the Offer;
- the Escrow Collection Bank; and
- the Registered Brokers.

The Offer is being made through the Book Building Process wherein at least 75% of the Offer shall be Allotted on a proportionate basis to QIB Bidders, provided that our Company may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not more than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Offer Price. Under-subscription if any, in any category, except in the QIB category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company and the Selling Shareholders, in consultation with BRLMs and the Designated Stock Exchange. Provided that at least 75% of the Offer shall be Allotted to QIBs and in the event at least 75% of the Offer cannot be Allotted to QIBs, the entire application money shall be refunded forthwith.

**In accordance with the SEBI Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Offer Period and withdraw their Bids until finalisation of the Basis of Allotment. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/ Offer Period.** For further details, please see the section “Offer Procedure” on page 386.

Our Company will comply with the SEBI Regulations and any other ancillary directions issued by SEBI for this Offer. In this regard, we have appointed the BRLMs to manage the Offer and procure purchasers for the Offer.

**The process of Book Building under the SEBI Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Offer.**

### **Illustration of Book Building and Price Discovery Process**

*Investors should note that this example is solely for illustrative purposes and is not specific to the Offer; it also excludes bidding by Anchor Investors or under the ASBA process.*

Bidders can bid at any price within the price band. For instance, assume a price band of ₹ 20 to ₹ 24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table

below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book given below shows the demand for the shares of the issuer company at various prices and is collated from bids received from various investors.

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

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, *i.e.*, ₹ 22.00 in the above example. The issuer, in consultation with the book running lead managers, will finalise the issue price at or below such cut-off price, *i.e.*, at or below ₹ 22.00. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for Bidding:

1. Check eligibility for making a Bid (please see the section “Offer Procedure – Who Can Bid?” on page 388);
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
3. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, for Bids of all values, ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction (please see the section “Offer Procedure” on page 386);
4. Ensure that the Bid cum Application Form is duly completed as per instructions given in this Red Herring Prospectus and in the Bid cum Application Form;
5. Bids by QIBs (except Anchor Investors) and Non Institutional Bidders shall be submitted only through the ASBA process;
6. Bids by ASBA Bidders will have to be submitted with the Designated Branches or with the Registered Brokers or with the BRLMs (in the Specified Cities). ASBA Bidders should ensure that the specified bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that the Bid cum Application Form submitted by ASBA Bidders is not rejected;

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the final approval of the RoC after the Prospectus is filed with the RoC.

### **Underwriting Agreement**

After the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters are several and are subject to certain conditions specified therein.

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

*This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC.*

Name and Address of the Underwriters	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (₹ In million)
<b>Citigroup Global Markets India Private Limited</b> 12 <sup>th</sup> Floor, Bakhtawar Nariman Point Mumbai 400 021 Tel: (91 22) 6631 9890 Fax: (91 22) 3919 7844 Email: justdial.ipo@citi.com	[●]	[●]
<b>Morgan Stanley India Company Private Limited</b> 18F/ 19F, Tower 2, One Indiabulls Centre 841, Senapati Bapat Marg Mumbai 400 013 Tel: (91 22) 6118 1000 Fax: (91 22) 6118 1040 Email: JD_IPO@morganstanley.com	[●]	[●]

The above-mentioned underwriting commitments are indicative and will be finalised after pricing of the Offer and actual allocation.

In the opinion of the Board of Directors (based on certificates provided by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with SEBI under section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. The Board of Directors / Committee of Directors, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment.

Notwithstanding the above table, the BRLMs shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure purchasers for or purchase the Equity Shares to the extent of the defaulted amount.

## CAPITAL STRUCTURE

The share capital of our Company as at the date of this Red Herring Prospectus is set forth below:

*(In ₹, except share data)*

		Aggregate Value at Face Value	Aggregate Value at Offer Price
<b>A</b>	<b>AUTHORISED SHARE CAPITAL</b>		
	100,000,000 Equity Shares	1,000,000,000	
	1,200,000 Preference Shares	12,000,000	
	<b>Total</b>	<b>1,012,000,000</b>	
<b>B</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE OFFER</b>		
	69,872,750 Equity Shares	698,727,500	
<b>C</b>	<b>PRESENT OFFER IN TERMS OF THIS RED HERRING PROSPECTUS</b>		
	Offer for sale of 17,497,458 Equity Shares <sup>(1)</sup>	174,974,580	[●]
<b>D</b>	<b>SECURITIES PREMIUM ACCOUNT<sup>(2)</sup></b>		
	Before the Offer	2,478,533,441	
	After the Offer	2,478,533,441	
<b>E</b>	<b>PAID-UP CAPITAL AFTER THE OFFER</b>		
	69,872,750 Equity Shares	698,727,500	

<sup>(1)</sup> The Offer has been authorized by V.S.S. Mani by letter dated April 8, 2013, Ramani Iyer by letter dated April 8, 2013, V. Krishnan by letter dated April 8, 2013 and by SAIF, Sequoia III, Tiger Global Four JD Holdings, Tiger Global Five Indian Holdings, EGCS and SAPV by their board resolutions dated April 9, 2013, April 3, 2013, March 25, 2013, March 25, 2013, April 3, 2013 and April 3, 2013, respectively. The Equity Shares to be offered in the Offer have been held for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus and hence are eligible for being offered for sale in the Offer.

<sup>(2)</sup> Securities Premium Account consists of the premium received by our Company from allotment of Equity Shares and Preference Shares. Our Company had issued an aggregate of 1,220,547 Preference Shares pursuant to which our Company received an aggregate premium amount of ₹ 1,074,035,119.61. The Preference Shares issued by our Company have been converted into Equity Shares and as on the date of this Red Herring Prospectus, there are no outstanding Preference Shares in our Company. For details of conversion of Preference Shares issued by our Company, please see the section "Capital Structure – Notes to Capital Structure – Share Capital History of our Company" on page 79. Our Company has utilised the securities premium for various activities including, among others, undertaking bonus issue of Equity Shares and adjustments pursuant to the Scheme. For details of the Scheme, please see the section "History and Certain Corporate Matters – Scheme of Arrangement between our Company, Just Dial Global Private Limited and their respective shareholders and creditors" on page 157.

### Changes in the Authorised Capital

- (1) The initial authorised share capital of ₹ 100,000 divided into 10,000 Equity Shares was increased to ₹ 1,000,000 divided into 100,000 Equity Shares. Please see the section "Risk Factors – We have been unable to locate certain of our corporate records with respect to the increase of our initial authorised share capital" on page 36.
- (2) The authorised share capital of ₹ 1,000,000 divided into 100,000 Equity Shares was increased to ₹ 5,000,000 divided into 500,000 Equity Shares pursuant to a resolution of our shareholders dated September 2, 2002.
- (3) The authorised share capital of ₹ 5,000,000 divided into 500,000 Equity Shares was increased to ₹ 10,000,000 divided into 1,000,000 Equity Shares pursuant to a resolution of our shareholders dated March 30, 2004.



- (4) The authorised share capital of ₹ 10,000,000 divided into 1,000,000 Equity Shares was increased to ₹ 40,000,000 divided into 4,000,000 Equity Shares pursuant to a resolution of our shareholders dated August 19, 2005.
- (5) The authorised share capital of ₹ 40,000,000 divided into 4,000,000 Equity Shares was increased to ₹ 110,000,000 divided into 11,000,000 Equity Shares pursuant to a resolution of our shareholders dated March 27, 2006.
- (6) The authorised share capital of ₹ 110,000,000 divided into 11,000,000 Equity Shares was increased to ₹ 150,000,000 divided into 15,000,000 Equity Shares pursuant to a resolution of our shareholders dated May 5, 2006.
- (7) The authorised share capital of ₹ 150,000,000 divided into 15,000,000 Equity Shares was increased to ₹ 154,000,000 divided into 15,000,000 Equity Shares and 400,000 Preference Shares of ₹ 10 each pursuant to a resolution of our shareholders dated October 9, 2006.
- (8) The authorised share capital of ₹ 154,000,000 divided into 15,000,000 Equity Shares and 400,000 Preference Shares of ₹ 10 each was increased to ₹ 1,004,000,000 divided into 100,000,000 Equity Shares and 400,000 Preference Shares of ₹ 10 each pursuant to a resolution of our shareholders dated April 24, 2010.
- (9) The authorised share capital of ₹ 1,004,000,000 divided into 100,000,000 Equity Shares and 400,000 Preference Shares of ₹ 10 each was increased to ₹ 1,012,000,000 divided into 100,000,000 Equity Shares and 1,200,000 Preference Shares of ₹ 10 each pursuant to a resolution of our shareholders dated May 9, 2011.

## Notes to Capital Structure

### 1. Share Capital History of our Company

- (a) The history of the equity share capital and share premium account of our Company is detailed in the following table:

Date of Allotment / subscription	No. of Equity Shares Allotted	Face Value (₹)	Issue Price (₹)	Consideration	Cumulative No. of Equity Shares	Cumulative paid-up Equity Capital (₹)	Cumulative Share Premium (₹)
October 11, 1993	20	10	10	Cash	20	200	-
March 31, 1995	7,050	10	-	Other than cash	7,070	70,700	-
March 31, 1997	72,100	10	-	Other than cash	79,170	791,700	-
November 19, 1998	18,100	10	10	Cash	97,270	972,700	-
March 1, 2003	170,000	10	10	Cash	267,270	2,672,700	-
March 31, 2004	340,000	10	10	Cash	607,270	6,072,700	-
October 28, 2005	360,003	10	10	Cash	967,273	9,672,730	-
February 10, 2006	23,627	10	10	Cash	990,900	9,909,000	-
December 19, 2006	(61,250) <sup>(1)</sup>	10	-	-	929,650	9,296,500	-

Date of Allotment / subscription	No. of Equity Shares Allotted	Face Value (₹)	Issue Price (₹)	Consideration	Cumulative No. of Equity Shares	Cumulative paid-up Equity Capital (₹)	Cumulative Share Premium (₹)
February 24, 2007	(26,214) <sup>(2)</sup>	10	-	-	903,436	9,034,360	-
March 7, 2007	282,304 <sup>(3)</sup>	10	-	Other than cash	1,185,740	11,857,400	-
March 7, 2007	(331,849) <sup>(4)</sup>	10	-	-	853,891	8,538,910	-
March 30, 2007	2,327	10	10	Cash	856,218	8,562,180	3,932,630 <sup>(5)</sup>
April 1, 2010	12,623	10	10	Cash	868,841	8,688,410	26,598,523 <sup>(6)</sup>
April 24, 2010	47,786,255 <sup>(7)</sup>	10	-	Other than cash	48,655,096	486,550,960	-
May 1, 2010	56,921 <sup>(8)</sup>	10	-	-	48,712,017	487,120,170	-
May 1, 2010	3,130,655 <sup>(9)</sup>	10	-	Other than cash	51,842,672	518,426,720	-
January 27, 2011	62,794	10	10	Cash	51,905,466	519,054,660	4,395,580 <sup>(10)</sup>
May 31, 2011	2,800	10	80	Cash	51,908,266	519,082,660	4,605,580 <sup>(11)</sup>
May 11, 2012	1,163,626 <sup>(12)</sup>	10	-	-	53,071,892	530,718,920	- <sup>(13)</sup>
May 11, 2012	10,756,075 <sup>(14)</sup>	10	-	Other than cash	63,827,967	638,279,670	-
June 11, 2012	66,402	10	80	Cash	63,894,369	638,943,690	4,980,150 <sup>(15)</sup>
June 11, 2012	15,518	10	10	Cash	63,909,887	639,098,870	6,144,000 <sup>(16)</sup>
June 11, 2012	6,702	10	4,595	Cash	63,916,589	639,165,890	36,872,670
June 11, 2012	120	10	4,500	Cash	63,916,709	639,167,090	37,238,630 <sup>(17)</sup>
June 11, 2012	375,210 <sup>(18)</sup>	10	-	Other than cash	64,291,919	642,919,190	33,486,530
July 21, 2012	5,136,486	10	488.66	Cash	69,428,405	694,284,050	2,489,444,249 <sup>(19)</sup>
September 28, 2012	15,953	10	80	Cash	69,444,358	694,443,580	2,490,640,724 <sup>(20)</sup>
January 23, 2013	28,029	10	80	Cash	69,472,387	694,723,870	2,449,243,436 <sup>(21)(22)</sup>
January 23, 2013	31,035	10	10	Cash	69,503,422	695,034,220	2,451,571,061 <sup>(23)</sup>
April 3, 2013	97,744	10	80	Cash	69,601,166	696,011,660	2,458,901,861 <sup>(24)</sup>
April 3, 2013	4,468	10	4,595	Cash	69,605,634	696,056,340	2,479,387,641
April 3, 2013	245,740	10	-	Other than cash	69,851,374	698,513,740	2,476,930,241 <sup>(25)</sup>
May 4, 2013	21,376	10	80	Cash	69,872,750	698,727,500	2,478,533,441 <sup>(26)</sup>

<sup>(1)</sup> Buy back of Equity Shares by our Company at a price of ₹ 2,574 per Equity Share from: (i) V.S.S. Mani (26,243 Equity Shares); (ii) Morgan Stanley Mutual Fund A/c. Morgan Stanley Growth Fund (3,308 Equity Shares); (iii) Bhoopalam Gopalkrishna Mahesh (15,278 Equity Shares); (iv) Vemuri Snehrabha (9,841 Equity Shares); (v) TD Asset Management Inc - TD Emerging Market Fund (269 Equity Shares); and (vi) Morgan Stanley Investment Management Inc. A/c. Morgan Stanley India Investment Fund, Inc. (6,311 Equity Shares), as authorised by our shareholders through a resolution dated November 29, 2006.

- (2) Buy back of Equity Shares by our Company at a price of ₹ 2,651 per Equity Share from: (i) V.S.S. Mani (13,393 Equity Shares); (ii) Bhoopalama Gopalakrishna Mahesh (7,798 Equity Shares); and (iii) Vemuri Snehrabha (5,023 Equity Shares), as authorised by our shareholders through a resolution dated January 29, 2007.
- (3) 282,304 Equity Shares were allotted to the shareholders of RRR Computech (India) Private Limited pursuant to the scheme of arrangement between our Company, RRR Computech (India) Private Limited and their respective shareholders (the "Scheme of Arrangement"). For further details, please see the section "History and Certain Corporate Matters - Scheme of Amalgamation between our Company, RRR Computech (India) Private Limited and their respective shareholders" on page 156.
- (4) 331,849 Equity Shares held by RRR Computech (India) Private Limited were cancelled pursuant to the scheme of arrangement between our Company, RRR Computech (India) Private Limited and their respective shareholders (the "Scheme of Arrangement"). For further details, please see the section "History and Certain Corporate Matters - Scheme of Amalgamation between our Company, RRR Computech (India) Private Limited and their respective shareholders" on page 156.
- (5) Upon exercise of options by employees, ₹ 3,932,630 was transferred from the stock option outstanding account to the share premium account of our Company during fiscal 2007. This was due to the difference between the fair value of Equity Shares and the price at which Equity Shares were allotted under ESOP 2007.
- (6) Upon exercise of options by employees, ₹ 22,665,893 was transferred from the stock option outstanding account to the share premium account of our Company during fiscal 2011. This was due to the difference between the fair value of Equity Shares and the price at which Equity Shares were allotted under ESOP 2007 and 2008.
- (7) Bonus issue in the ratio 55:1 authorised by our shareholders through a resolution dated April 24, 2010. Bonus issue was undertaken through capitalisation of the securities premium and the reserves of our Company.
- (8) 56,921 Equity Shares were allotted to SAIF on conversion of 56,921 Preference Shares Series A. In accordance with the terms of the amended and restated shareholders' agreement dated November 13, 2009, Preference Shares Series A were converted into Equity Shares in the ratio of 1:1 without payment of any additional conversion price. Accordingly, no additional consideration was paid by SAIF at the time of conversion of the Preference Shares Series A into Equity Shares.
- (9) These Equity Shares were allotted to SAIF as bonus Equity Shares on account of the bonus issue in the ratio of 55:1 undertaken by our Company on April 24, 2010. In accordance with the terms of the amended and restated shareholders' agreement dated November 13, 2009, the bonus Equity Shares were issued for the 56,921 Equity Shares allotted to SAIF upon conversion of Preference Shares Series A.
- (10) An amount of ₹ 4,395,580, being the difference between the fair value of Equity Shares as determined pursuant to a valuation report dated December 23, 2010, prepared by BDO Consulting Private Limited, and the price at which the Equity Shares were allotted on January 27, 2011, was deducted from the income of our Company as advertisement expenses and was credited to the securities premium account during fiscal 2011.
- (11) Upon exercise of options by employees, ₹ 14,000 was transferred from the stock option outstanding account to the share premium account of our Company during fiscal 2012. This was due to the difference between the fair value of Equity Shares and the price at which Equity Shares were allotted under ESOP 2010.
- (12) (i) 159,598 Equity Shares were allotted to SAIF on conversion of 159,598 Preference Shares Series A; (ii) 35,967 Equity Shares were allotted to Tiger Global Four JD Holdings on conversion of 35,967 Preference Shares Series A; (iii) one Equity Share was allotted to V.S.S. Mani upon conversion of one Preference Shares Series B; (iv) 484,030 Equity Shares were allotted to SAPV upon conversion of 484,030 Preference Shares Series C; and (v) 484,030 Equity Shares were allotted to EGCS upon conversion of 484,030 Preference Shares Series C. In accordance with the terms of the amended and restated shareholders' agreement dated May 23, 2011, the Preference Shares were converted into Equity Shares in the ratio of 1:1 without payment of any additional conversion price. Accordingly, no additional consideration was paid by SAIF, Tiger Global Four JD Holdings, V.S.S. Mani, SAPV and EGCS at the time of conversion of the Preference Shares into Equity Shares.
- (13) Pursuant to the Scheme becoming effective, the aggregate investment made by our Company in JD Global and book value of assets of the demerged undertaking have been transferred to JD Global, and the same has been adjusted against the securities premium account and the profit and loss account. The Scheme proposed a reduction of capital of our Company, in accordance with the provisions of the Companies Act, to the extent that the aforementioned adjustment was made against the securities premium account. Accordingly, a reduction of capital to that extent has been undertaken in our Company. For further details please see the section "History and Certain Corporate Matters – Scheme of Arrangement between our Company, Just Dial Global Private Limited and their respective shareholders and creditors" on page 157.
- (14) Upon conversion of the Preference Shares Series A into Equity Shares and in accordance with the terms of the amended and restated shareholders' agreement dated May 23, 2011, our Company allotted 8,777,890 Equity Shares and 1,978,185 Equity Shares to SAIF and Tiger Global Four JD Holdings, respectively, as bonus Equity Shares. These bonus Equity Shares were issued for the bonus issue in the ratio of 55:1, undertaken by our Company on April 24, 2010. The bonus issue was undertaken by capitalizing the amounts standing to the credit of the securities premium account, the profit and loss account and the reserves of our Company.
- (15) Upon exercise of options by employees, ₹ 332,010 was transferred from the stock option outstanding account to the share premium account of our Company during fiscal 2013. This was due to the difference between the fair value of Equity Shares and the price at which Equity Shares were allotted under ESOP 2010.
- (16) Upon exercise of options by employees, ₹ 1,163,850 was transferred from the stock option outstanding account to the share premium account of our Company during fiscal 2013. This was due to the difference between the fair value of Equity Shares and the price at which Equity Shares were allotted under ESOP 2010.
- (17) An amount of ₹ 172,840 was deducted from the securities premium account of our Company towards issue expenses for issue of Equity Shares.
- (18) Upon allotment, on June 11, 2012, of 6,702 Equity Shares to Sandipan Chattopadhyay and 120 Equity Shares to Shakeeb Shaikh under ESOP 2008, our Company allotted 368,610 Equity Shares and 6,600 Equity Shares to Sandipan Chattopadhyay and Shakeeb Shaikh, respectively, as bonus Equity Shares. These bonus Equity Shares were issued for the bonus issue in the ratio of 55:1, undertaken by our Company on April 24, 2010.
- (19) An amount of ₹ 2,672,670 was deducted from the securities premium account of our Company towards issue expenses for issue of Equity Shares.
- (20) Upon exercise of options by employees, ₹ 79,765 was transferred from the stock option outstanding account to the share premium account of our Company during fiscal 2013. This was due to the difference between the fair value of Equity Shares and the price at which Equity Shares were allotted under ESOP 2010.

- (21) An amount of ₹ 43,499,463 was deducted from the securities premium account of our Company towards issue expenses for issue of Equity Shares.
- (22) Upon exercise of options by employees, ₹ 140,145 was transferred from the stock option outstanding account to the share premium account of our Company during fiscal 2013. This was due to the difference between the fair value of Equity Shares and the price at which Equity Shares were allotted under ESOP 2010.
- (23) Upon exercise of options by employees, ₹ 2,327,625 was transferred from the stock option outstanding account to the share premium account of our Company during fiscal 2013. This was due to the difference between the fair value of Equity Shares and the price at which Equity Shares were allotted under ESOP 2010.
- (24) Upon exercise of options by employees, ₹ 488,720 was transferred from the stock option outstanding account to the share premium account of our Company during fiscal 2014. This was due to the difference between the fair value of Equity Shares and the price at which Equity Shares were allotted under ESOP 2010.
- (25) Upon allotment, on April 3, 2013, of 4,468 Equity Shares to Sandipan Chattopadhyay under ESOP 2008, our Company allotted 245,740 Equity Shares to Sandipan Chattopadhyay as bonus Equity Shares. These bonus Equity Shares were issued for the bonus issue in the ratio of 55:1, undertaken by our Company on April 24, 2010.
- (26) Upon exercise of options by employees, ₹ 106,880 was transferred from the stock option outstanding account to the share premium account of our Company during fiscal 2014. This was due to the difference between the fair value of Equity Shares and the price at which Equity Shares were allotted under ESOP 2010.

(b) The details of the Equity Shares allotted for consideration other than cash are provided in the following table:

Date of Allotment	Name of the Allottee	No. of Equity Shares Allotted	Face Value (₹)	Issue Price (₹)	Reasons for Allotment	Benefits accrued to our Company																																							
March 31, 1995	(i) V.S.S. Mani	3,275	10	-	Equity Shares allotted in lieu of the services provided as Directors of our Company	Services of V.S.S. Mani and Anita Mani in their capacity as Directors of our Company																																							
	(ii) Anita Mani	3,775	10	-			March 31, 1997	(i) V.S.S. Mani	20,350	10	-	Equity Shares allotted in lieu of the services provided as Directors of our Company	Services of the Directors of our Company	(ii) Anita Mani	24,150	10	-	(iii) Meenakshi Chalam	5,700	10	-	(iv) V. Krishnan	2,550	10	-	(v) Ramani Iyer	2,550	10	-	(vi) Vijayalakshmi Shankar	5,600	10	-	(vii) Vijayan Pillai	5,600	10	-	(viii) Geeta Rajan	5,600	10	-	March 7, 2007	Shareholders of RRR Computech (India) Private Limited, namely Clearmist Limited and Rajnaidu Venugopal	282,304	10
March 31, 1997	(i) V.S.S. Mani	20,350	10	-	Equity Shares allotted in lieu of the services provided as Directors of our Company	Services of the Directors of our Company																																							
	(ii) Anita Mani	24,150	10	-																																									
	(iii) Meenakshi Chalam	5,700	10	-																																									
	(iv) V. Krishnan	2,550	10	-																																									
	(v) Ramani Iyer	2,550	10	-																																									
	(vi) Vijayalakshmi Shankar	5,600	10	-																																									
	(vii) Vijayan Pillai	5,600	10	-																																									
	(viii) Geeta Rajan	5,600	10	-																																									
March 7, 2007	Shareholders of RRR Computech (India) Private Limited, namely Clearmist Limited and Rajnaidu Venugopal	282,304	10	-	Equity Shares allotted pursuant to the scheme of arrangement pursuant to sections 391 and 394 of the Companies Act between our Company, RRR Computech (India) Private Limited and their respective shareholders. For further details, please see the section "History and Certain Corporate Matters - Scheme of Amalgamation between our Company, RRR Computech (India) Private Limited and their respective shareholders" on page	Amalgamation of RRR Infotech (India) Private Limited with our Company																																							

Date of Allotment	Name of the Allottee	No. of Equity Shares Allotted	Face Value (₹)	Issue Price (₹)	Reasons for Allotment	Benefits accrued to our Company
					156.	
April 24, 2010	Equity shareholders of our Company	47,786,255	10	-	Bonus issue in the ratio 55:1 authorised by our shareholders through a resolution dated April 24, 2010	-
May 1, 2010	SAIF	3,130,655	10	-	3,130,655 bonus Equity Shares were allotted to SAIF in the ratio 55:1, pursuant to conversion of 56,921 Preference Shares	-
May 11, 2012	SAIF	8,777,890	10	-	8,777,890 bonus Equity Shares were allotted to SAIF in the ratio 55:1, pursuant to conversion of 159,598 Preference Shares	-
May 11, 2012	Tiger Global Four JD Holdings	1,978,185	10	-	1,978,185 bonus Equity Shares were allotted to Tiger Global Four JD Holdings in the ratio 55:1, pursuant to conversion of 35,967 Preference Shares	-
June 11, 2012	Sandipan Chattopadhyay	368,610	10	-	368,610 bonus Equity Shares were allotted to Sandipan Chattopadhyay in the ratio 55:1, pursuant to exercise of 6,702 options under ESOP 2008	-
June 11, 2012	Shakeeb Shaikh	6,600	10	-	6,600 bonus Equity Shares were allotted to Shakeeb Shaikh in the ratio 55:1, pursuant to exercise of 120 options under ESOP 2008	-
April 3, 2013	Sandipan Chattopadhyay	245,740	10	-	245,740 bonus Equity Shares were allotted to Sandipan Chattopadhyay in the ratio 55:1, pursuant to exercise of 4,468 options under ESOP 2008	-

## 2. History of the Equity Share Capital held by our Promoters

### (a) Details of the build up of our Promoters' shareholding in our Company:

Date of Transaction	Nature of Transaction	No. of Equity Shares	Nature of consideration	Name of the Transferor/ Transferee	Face Value (₹)	Issue/ Acquisition/ Sale Price per Equity Share (₹)
<b>V.S.S. Mani</b>						
October 11, 1993	Subscription to memorandum	10	Cash	-	10	10
March 31, 1995	Allotment	3,275	Other than cash	-	10	-
March 31, 1997	Allotment	20,350	Other than cash	-	10	-
October 1, 1998	Purchase	5,600	Cash	Geeta Rajan	10	10
		5,600	Cash	Vijayam Pillai	10	10
		5,600	Cash	Vijaylakshmi Shankar	10	10
		2,550	Cash	Ramani Iyer	10	10
		2,550	Cash	Krishnan M.	10	10
		5,700	Cash	Minakshi Chalam	10	10
		14,781	Cash	Anita Mani	10	10
November 19, 1998	Allotment	11,800	Cash	-	10	10
May 25, 2000	Sale	(38,908)	Cash	Indiainfo.com Private Limited	10	1,435.95
March 1, 2003	Allotment	85,000	Cash	-	10	10
March 31, 2004	Allotment	170,000	Cash	-	10	10
October 28, 2005	Allotment	273,400	Cash	-	10	10
February 10, 2006	Gifted	(25,000)	Gift	Ramani Iyer	10	-
February 10, 2006	Gifted	(25,000)	Gift	V. Krishnan	10	-
March 21, 2006	Purchase	2,278	Cash	SBI Capital Market Limited A/c - India Magnum Fund Ltd.	10	440
May 30, 2006	Purchase	4,662	Cash	Morgan Stanley Investment Management Inc. A/c Morgan Stanley Institutional Fund, Inc. Emerging Market Portfolio	10	440
May 30, 2006	Purchase	564	Cash	Van Campan Asset Management Inc. A/c Van Campan Series Fund Inc. Van Campan Emerging Market Fund	10	440
May 30, 2006	Purchase	8,697	Cash	Morgan Stanley Investment Management Inc. A/c Morgan Stanley Investment Management Emerging Market	10	440

Date of Transaction	Nature of Transaction	No. of Equity Shares	Nature of consideration	Name of the Transferor/ Transferee	Face Value (₹)	Issue/ Acquisition/ Sale Price per Equity Share (₹)
				Trust		
May 30, 2006	Purchase	1,375	Cash	Morgan Stanley Investment Management Inc. A/c Morgan Stanley Emerging Market Fund, Inc	10	440
September 28, 2006	Purchase	687	Cash	Morgan Stanley Investment Management Inc A/c Universal Institutional Fund, Inc. Emerging Markets Equity Portfolio	10	440
September 28, 2006	Purchase	1,062	Cash	Morgan Stanley Investment Management Inc. A/c Morgan Stanley Offshore Emerging Market Fund	10	440
September 28, 2006	Gifted	(19,818)	Gift	Ramani Iyer	10	-
September 28, 2006	Gifted	(19,818)	Gift	V. Krishnan	10	-
December 19, 2006	Buyback of Equity Shares by our Company	(26,243)	Cash	-	10	2,574
February 24, 2007	Sale	(500)	Cash	Koora Srinivas	10	10
February 24, 2007	Buyback of Equity Shares by our Company	(13,393)	Cash	-	10	2,651
April 25, 2007	Sale	(6,806)	Cash	Clearmist Limited	10	440
June 22, 2007	Received as gift	5,585	Gift	Ramani Iyer	10	-
June 22, 2007	Received as gift	5,585	Gift	V. Krishnan	10	-
June 22, 2007	Sale	(2,792)	Cash	Amista Limited	10	4,607
June 22, 2007	Sale	(53,058)	Cash	Tiger Global Four Holdings	10	4,595
August 24, 2009	Purchase	3	Cash	Rajnaidu Venugopal	10	3,250
April 24, 2010	Allotment	22,295,790	Bonus issue in the ratio of 55:1	-	10	-
March 25, 2011	Gifted	(387,224)	Gift	V. Krishnan	10	-
May 11, 2012	Allotment pursuant to conversion of Preference Shares Series B	1	-	-	10	-(1)
August 8, 2012	Sale	(548,638)	Cash	Sequoia I	10	488.66
August 8, 2012	Sale	(433,638)	Cash	Sequoia II	10	488.66
<b>Total</b>		<b>21,331,669<sup>(2)</sup></b>				
<b>Anita Mani</b>						
October 11, 1993	Subscription to memorandum	10	Cash	-	10	10

Date of Transaction	Nature of Transaction	No. of Equity Shares	Nature of consideration	Name of the Transferor/ Transferee	Face Value (₹)	Issue/ Acquisition/ Sale Price per Equity Share (₹)
March 31, 1995	Allotment	3,775	Other than cash	-	10	-
March 31, 1997	Allotment	24,150	Other than cash	-	10	-
October 1, 1998	Sale	(14,781)	Cash	V.S.S. Mani	10	10
November 19, 1998	Allotment	6,300	Cash	-	10	10
May 25, 2000	Sale	(9,727)	Cash	Indiainfo.com Private Limited	10	1,435.95
April 24, 2010	Allotment	534,985	Bonus issue in the ratio of 55:1	-	10	-
<b>Total</b>		<b>544,712</b>				
<b>Ramani Iyer</b>						
March 31, 1997	Allotment	2,550	Cash	-	10	10
October 1, 1998	Sale	(2,550)	Cash	V.S.S. Mani	10	10
February 10, 2006	Received as gift	25,000	Gift	V.S.S. Mani	10	-
September 28, 2006	Received as gift	19,818	Gift	V.S.S. Mani	10	-
June 22, 2007	Gifted	(5,585)	Gift	V.S.S. Mani	10	-
April 24, 2010	Allotment	2,157,815	Bonus issue in the ratio of 55:1	-	10	-
June 29, 2011	Sale	(163,763)	Cash	SAPV Mauritius	10	344.88
<b>Total</b>		<b>2,033,285</b>				
<b>V. Krishnan</b>						
March 31, 1997	Allotment	2,550	Cash	-	10	10
October 1, 1998	Sale	(2,550)	Cash	V.S.S. Mani	10	10
February 10, 2006	Received as gift	25,000	Gift	V.S.S. Mani	10	-
September 28, 2006	Received as gift	19,818	Gift	V.S.S. Mani	10	-
June 22, 2007	Gifted	(5,585)	Gift	V.S.S. Mani	10	-
April 24, 2010	Allotment	2,157,815	Bonus issue in the ratio of 55:1	-	10	-
March 25, 2011	Received as gift	387,224	Gift	V.S.S. Mani	10	-
June 29, 2011	Sale	(163,763)	Cash	EGCS Investment Holdings	10	344.88
August 8, 2012	Sale	(373,000)	Cash	SAPV	10	488.66
<b>Total</b>		<b>2,047,509</b>				

<sup>(1)</sup> One Equity Share was allotted to V.S.S. Mani on conversion of one Preference Shares Series B. In accordance with the terms of the amended and restated shareholders' agreement dated May 23, 2011, Preference Shares Series B were converted into Equity Shares in the ratio of 1:1 without payment of any additional conversion price. Accordingly, no additional consideration was paid by V.S.S. Mani at the time of conversion of the Preference Shares Series B into Equity Shares.

<sup>(2)</sup> Includes 580,836 Equity Shares held jointly with V. Krishnan which were transferred by V.S.S. Mani to such joint holding on March 25, 2011.

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares. None of the Equity Shares held by our Promoters are pledged.

**(b) Details of Promoters' contribution and Lock-in:**

The Promoters' shall contribute Equity Shares in the Offer constituting not less than 20% of the fully diluted post-Offer capital, which shall be locked in for a period of three years from the date of Allotment in the Offer.

The details of the Equity Shares held by our Promoters, which are locked in for a period of three years from the date of Allotment in the Offer are given below:



Date of Transaction and when made fully paid-up	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/Acquisition Price per Equity Share (₹)	Percentage of post-Offer paid-up capital (%)
<b>V.S.S. Mani</b>					
April 24, 2010	Bonus issue	11,948,430	10	-	17.08
<b>Anita Mani</b>					
April 24, 2010	Bonus issue	329,142	10	-	0.47
<b>Ramani Iyer</b>					
April 24, 2010	Bonus issue	855,080	10	-	1.22
<b>V. Krishnan</b>					
April 24, 2010	Bonus issue	855,233	10	-	1.22

The Equity Shares that are being locked in are not ineligible for computation of Promoter's contribution in terms of Regulation 33 of the SEBI Regulations.

(c) *Details of pre-Offer Equity Share capital locked in for one year:*

In addition to the 20% of the fully diluted post-Offer shareholding of our Company held by our Promoters and locked in for three years as specified above, the entire pre-Offer equity share capital, other than the Equity Shares held by the employees of our Company (who continue to be the employees of our Company as on the date of Allotment) which were allotted to them under the employee stock option schemes of our Company, will be locked-in for a period of one year from the date of Allotment of the Equity Shares in the Offer.

(d) *Other requirements in respect of lock-in:*

The Equity Shares held by our Promoters may be transferred to and amongst the Promoter Group or to a new promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI Takeover Regulations, as applicable.

The Equity Shares held by persons other than our Promoters prior to the Offer may be transferred to any other person holding Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI Takeover Regulations, as applicable.

The Equity Shares held by our Promoters which are locked-in for a period of one year from the date of Allotment in the Offer can be pledged with any scheduled commercial bank or public financial institution as collateral security for loans granted by such bank or financial institution, provided that the pledge of the Equity Shares is one of the terms of sanction of the loan.

(e) *Lock-in of Equity Shares to be issued, if any, to the Anchor Investor*

Any Equity Shares allotted to Anchor Investors shall be locked-in for a period of 30 days from the date of Allotment of Equity Shares in the Offer.

**3. Details of the build up of SAIF's shareholding in our Company**

Date of Transaction	Nature of Transaction	No. of Equity Shares	Nature of consideration	Name of the Transferor	Face Value (₹)	Issue/Acquisition/Sale Price per Equity Share (₹)
July 21, 2009	Transfer	29,503	Cash	Clearmist Limited	10	3,250
April 24, 2010	Allotment	1,622,665	Bonus issue in the ratio 55:1	-	10	-

Date of Transaction	Nature of Transaction	No. of Equity Shares	Nature of consideration	Name of the Transferor	Face Value (₹)	Issue/Acquisition/Sale Price per Equity Share (₹)
May 1, 2010	Conversion of 56,921 optionally convertible preference shares	56,921 <sup>(1)</sup>	-	-	10	-
May 1, 2010	Allotment	3,130,655	Allotment on account of the bonus issue in the ratio 55:1 undertaken on April 24, 2010	-	10	-
May 11, 2012	Conversion of 159,598 Preference Shares Series A	159,598 <sup>(2)</sup>	-	-	10	-
May 11, 2012	Allotment	8,777,890	Allotment on account of the bonus issue in the ratio 55:1 undertaken on April 24, 2010	-	10	-
<b>Total</b>		<b>13,777,232</b>				

<sup>(1)</sup> 56,921 Equity Shares were allotted to SAIF on conversion of 56,921 Preference Shares Series A. In accordance with the terms of the amended and restated shareholders' agreement dated November 13, 2009, Preference Shares Series A were converted into Equity Shares in the ratio of 1:1 without payment of any additional conversion price. Accordingly, no additional consideration was paid by SAIF at the time of conversion of the Preference Shares Series A into Equity Shares.

<sup>(2)</sup> 159,598 Equity Shares were allotted to SAIF on conversion of 159,598 Preference Shares Series A. In accordance with the terms of the amended and restated shareholders' agreement dated May 23, 2011, Preference Shares Series A were converted into Equity Shares in the ratio of 1:1 without payment of any additional conversion price. Accordingly, no additional consideration was paid by SAIF at the time of conversion of the Preference Shares Series A into Equity Shares.

#### 4. Details of the build up of Sequoia III's shareholding in our Company

Date of Transaction	Nature of Transaction	No. of Equity Shares	Nature of consideration	Name of the Transferor	Face Value (₹)	Issue/Acquisition/Sale Price per Equity Share (₹)
July 21, 2009	Transfer	118,014	Cash	Clearmist Limited	10	3,250
April 24, 2010	Allotment	6,490,770	Bonus issue in the ratio 55:1	-	10	-
<b>Total</b>		<b>6,608,784</b>				

5. Details of the build up of Tiger Global Four JD Holdings' shareholding in our Company

Date of Transaction	Nature of Transaction	No. of Equity Shares	Nature of consideration	Name of the Transferor	Face Value (₹)	Issue/Acquisition/Sale Price per Equity Share (₹)
September 12, 2009	Transfer	111,422	Cash	Tiger Global Four Holdings	10	3,250
September 12, 2009	Transfer	5,863	Cash	Tiger Global Principals Limited	10	3,250
April 24, 2010	Allotment	6,450,675	Bonus issue in the ratio 55:1	-	10	-
May 11, 2012	Conversion of 35,967 Preference Shares Series A	35,967 <sup>(1)</sup>	-	-	10	-
May 11, 2012	Allotment	1,978,185	Allotment on account of the bonus issue in the ratio 55:1 undertaken on April 24, 2010	-	10	-
<b>Total</b>		<b>8,582,112</b>				

<sup>(1)</sup> 35,967 Equity Shares were allotted to Tiger Global Four JD Holdings on conversion of 35,967 Preference Shares Series A. In accordance with the terms of the amended and restated shareholders' agreement dated May 23, 2011, Preference Shares Series A were converted into Equity Shares in the ratio of 1:1 without payment of any additional conversion price. Accordingly, no additional consideration was paid by Tiger Global Four JD Holdings at the time of conversion of the Preference Shares Series A into Equity Shares.

6. Details of the build up of Tiger Global Five Indian Holdings' shareholding in our Company

Date of Transaction	Nature of Transaction	No. of Equity Shares	Nature of consideration	Name of the Transferor	Face Value (₹)	Issue/Acquisition/Sale Price per Equity Share (₹)
September 12, 2009	Transfer	90,268	Cash	Tiger Global Five Holdings	10	3,250
September 12, 2009	Transfer	4,750	Cash	Tiger Global Principals Limited	10	3,250
April 24, 2010	Allotment	5,225,990	Bonus issue in the ratio 55:1	-	10	-
<b>Total</b>		<b>5,321,008</b>				

7. Details of the build up of SAPV's shareholding in our Company

Date of Transaction	Nature of Transaction	No. of Equity Shares	Nature of consideration	Name of the Transferor	Face Value (₹)	Issue/Acquisition/Sale Price per Equity Share (₹)
June 29, 2011	Transfer	163,763	Cash	Ramani Iyer	10	344.88

Date of Transaction	Nature of Transaction	No. of Equity Shares	Nature of consideration	Name of the Transferor	Face Value (₹)	Issue/Acquisition/Sale Price per Equity Share (₹)
May 11, 2012	Conversion of 484,030 Preference Shares Series C	484,030 <sup>(1)</sup>	-	-	10	-
August 8, 2012	Transfer	457,000	Cash	V. Krishnan together with 14 other shareholders	10	488.66
<b>Total</b>		<b>1,104,793</b>				

<sup>(1)</sup> 484,030 Equity Shares were allotted to SAPV on conversion of 484,030 Preference Shares Series C. In accordance with the terms of the amended and restated shareholders' agreement dated May 23, 2011, Preference Shares Series C were converted into Equity Shares in the ratio of 1:1 without payment of any additional conversion price. Accordingly, no additional consideration was paid by SAPV at the time of conversion of the Preference Shares Series C into Equity Shares.

#### 8. Details of the build up of EGCS' shareholding in our Company

Date of Transaction	Nature of Transaction	No. of Equity Shares	Nature of consideration	Name of the Transferor	Face Value (₹)	Issue/Acquisition/Sale Price per Equity Share (₹)
June 29, 2011	Transfer	163,763	Cash	V. Krishnan	10	344.88
May 11, 2012	Conversion of 484,030 Preference Shares Series C	484,030 <sup>(1)</sup>	-	-	10	-
<b>Total</b>		<b>647,793</b>				

<sup>(1)</sup> 484,030 Equity Shares were allotted to EGCS on conversion of 484,030 Preference Shares Series C. In accordance with the terms of the amended and restated shareholders' agreement dated May 23, 2011, Preference Shares Series C were converted into Equity Shares in the ratio of 1:1 without payment of any additional conversion price. Accordingly, no additional consideration was paid by EGCS at the time of conversion of the Preference Shares Series C into Equity Shares.

#### 9. Details of the build up of Sequoia I's shareholding in our Company

Date of Transaction	Nature of Transaction	No. of Equity Shares	Nature of consideration	Name of the Transferor	Face Value (₹)	Issue/Acquisition/Sale Price per Equity Share (₹)
July 21, 2012	Allotment	2,568,243	Cash	-	10	488.66
August 8, 2012	Transfer	548,638	Cash	V.S.S. Mani	10	488.66
<b>Total</b>		<b>3,116,881</b>				

10. Details of the build up of Sequoia II's shareholding in our Company

Date of Transaction	Nature of Transaction	No. of Equity Shares	Nature of consideration	Name of the Transferor	Face Value (₹)	Issue/Acquisition/Sale Price per Equity Share (₹)
July 21, 2012	Allotment	2,568,243	Cash	-	10	488.66
August 8, 2012	Transfer	433,638	Cash	V.S.S. Mani	10	488.66
August 8, 2012	Transfer	100,000	Cash	Sandipan Chattopadhyay	10	488.66
August 8, 2012	Transfer	15,000	Cash	Koora Srinivas	10	488.66
<b>Total</b>		<b>3,116,881</b>				

11. Shareholding Pattern of our Company

The table below presents the shareholding pattern of Equity Shares before the proposed Offer and as adjusted for the Offer:

Category of Shareholders	Pre- Offer		Post- Offer <sup>(1)(2)</sup>	
	No. of Equity Shares	Shareholding Percentage %	No. of Equity Shares	Shareholding Percentage % <sup>(4)</sup>
<b>Promoter</b>				
V.S.S. Mani	21,331,669 <sup>(3)</sup>	30.53	19,774,011 <sup>(3)</sup>	28.30
Anita Mani	544,712	0.78	544,712	0.78
Ramani Iyer	2,033,285	2.91	1,415,111	2.03
V. Krishnan	2,047,509	2.93	1,415,365	2.03
<b>Sub Total (A)</b>	<b>25,957,175</b>	<b>37.15</b>	<b>23,149,199</b>	<b>33.13</b>
<b>Promoter Group</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Sub Total (B)</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Holding of Promoters and Promoter Group (C=A + B)</b>	<b>25,957,175</b>	<b>37.15</b>	<b>23,149,199</b>	<b>33.13</b>
<b>Public Shareholding (D)</b>				
Sequoia I	3,116,881	4.46	3,116,881	4.46
Sequoia II	3,116,881	4.46	3,116,881	4.46
Sequoia III	6,608,784	9.46	3,400,850	4.87
SAIF	13,777,232	19.72	7,826,001	11.20
Tiger Global Four JD Holdings	8,582,112	12.28	5,770,880	8.26
Tiger Global Five Indian Holdings	5,321,008	7.62	3,578,012	5.12
EGCS	647,793	0.93	0	0
SAPV	1,104,793	1.58	776,497	1.11
Amitabh Bachchan	62,794	0.09	62,794	0.09
Employees	1,577,297	2.26	1,577,297	2.26
<b>Sub Total (D)</b>	<b>43,915,575</b>	<b>62.85</b>	<b>29,226,093</b>	<b>41.83</b>
<b>Total (C+D)</b>	<b>69,872,750</b>	<b>100.00</b>	<b>52,375,292</b>	<b>74.96</b>
<b>Public (pursuant to the Offer) (E)</b>	<b>-</b>	<b>-</b>	<b>17,497,458</b>	<b>25.04<sup>(5)</sup></b>

Category of Shareholders	Pre- Offer		Post- Offer <sup>(1)(2)</sup>	
	No. of Equity Shares	Shareholding Percentage %	No. of Equity Shares	Shareholding Percentage % <sup>(4)</sup>
<b>Total Share Capital (C+D+E)</b>	<b>69,872,750</b>	<b>100.00</b>	<b>69,872,750</b>	<b>100.00</b>

<sup>(1)</sup> Assuming none of the Shareholders participate in the Offer.

<sup>(2)</sup> Subject to finalisation at the time of filing of the Prospectus with the RoC.

<sup>(3)</sup> Includes 580,836 Equity Shares held jointly with V. Krishnan which were transferred by V.S.S. Mani to joint-holding on March 25, 2011.

<sup>(4)</sup> The post-Offer shareholding percentages are calculated on the current outstanding paid up share capital of our Company.

<sup>(5)</sup> Upon considering the fully-diluted shareholding of our Company assuming exercise of all vested stock options as on the date of this Red Herring Prospectus, the public shareholding pursuant to the Offer will be 25.02% of the fully diluted post-Offer share capital of our Company.

## 12. Public shareholders holding more than 1% of the pre-Offer paid up capital of our Company:

Sr. No	Name of the shareholder	Pre-Offer		Post-Offer *	
		No. of Equity Shares held	Percentage (%)	No. of Equity Shares held	Percentage (%)
1.	SAIF	13,777,232	19.72	7,826,001	11.20
2.	Tiger Global Four JD Holdings	8,582,112	12.28	5,770,880	8.26
3.	Sequoia III	6,608,784	9.46	3,400,850	4.87
4.	Tiger Global Five Indian Holdings	5,321,008	7.62	3,578,012	5.12
5.	Sequoia I	3,116,881	4.46	3,116,881	4.46
6.	Sequoia II	3,116,881	4.46	3,116,881	4.46
7.	SAPV	1,104,793	1.58	776,497	1.11

\* Subject to finalisation at the time of filing of the Prospectus with the RoC.

## 13. Equity Shares held by the top 10 shareholders:

(a) As of the date of this Red Herring Prospectus:

Sr. No.	Name of the shareholder	No. of Equity Shares held	Percentage (%)	Convertible instruments held
1.	V. S. S. Mani	21,331,669*	30.53	-
2.	SAIF	13,777,232	19.72	-
3.	Tiger Global Four JD Holdings	8,582,112	12.28	-
4.	Sequoia III	6,608,784	9.46	-
5.	Tiger Global Five Indian Holdings	5,321,008	7.62	-
6.	Sequoia I	3,116,881	4.46	-
7.	Sequoia II	3,116,881	4.46	-
8.	V. Krishnan	2,047,509	2.93	-
9.	Ramani Iyer	2,033,285	2.91	-
10.	SAPV	1,104,793	1.58	-
<b>TOTAL</b>		<b>67,040,154</b>	<b>95.95</b>	

\* Includes 580,836 Equity Shares held jointly with V. Krishnan which were transferred by V.S.S. Mani to joint-holding on March 25, 2011.

(b) As of 10 days prior to the date of this Red Herring Prospectus:

Sr. No.	Name of the shareholder	No. of Equity Shares held	Percentage (%)	Convertible instruments held
1.	V. S. S. Mani	21,331,669*	30.54	-
2.	SAIF	13,777,232	19.72	-
3.	Tiger Global Four JD Holdings	8,582,112	12.29	-
4.	Sequoia III	6,608,784	9.46	-
5.	Tiger Global Five Indian Holdings	5,321,008	7.62	-
6.	Sequoia I	3,116,881	4.46	-
7.	Sequoia II	3,116,881	4.46	-
8.	V. Krishnan	2,047,509	2.93	-
9.	Ramani Iyer	2,033,285	2.91	-
10.	SAPV	1,104,793	1.58	-
<b>TOTAL</b>		<b>67,040,154</b>	<b>95.97</b>	

\*Includes 580,836 Equity Shares held jointly with V. Krishnan which were transferred by V.S.S. Mani to joint-holding on March 25, 2011.

(c) As of two years prior to the date of this Red Herring Prospectus:

Sr. No.	Name of the shareholder	No. of Equity Shares held	Percentage (%)	Convertible instruments held
1.	V. S. S. Mani	22,313,944	42.99	One Preference Shares Series B converted into one Equity Share
2.	Sequoia III	6,608,784	12.73	-
3.	Tiger Global Four JD Holdings	6,567,960	12.65	34,169 Preference Shares Series A converted into 34,169 Equity Shares
4.	Tiger Global Five Indian Holdings	5,321,008	10.25	-
5.	SAIF	4,839,744	9.32	159,598 Preference Shares Series A converted into 159,598 Equity Shares
6.	V. Krishnan	2,584,272	4.98	-
7.	Ramani Iyer	2,197,048	4.23	-
8.	Anita Mani	544,712	1.05	-
9.	Koora Srinivas	117,040	0.23	-
10.	Ajay Mohan	75,040	0.14	-
	Shyam S. Khattar	75,040	0.14	-
<b>TOTAL</b>		<b>51,244,592</b>	<b>98.71</b>	

#### 14. Employee Stock Option Plan

The employee stock options of our Company have been granted under three employee stock option schemes; namely Just Dial Employee Stock Option Scheme, 2007 (“ESOP 2007”), Just Dial Employee Stock Option Scheme, 2008 (“ESOP 2008”) and Just Dial Employee Stock Option Scheme, 2010 (“ESOP 2010”) (collectively, “ESOP Schemes”). The ESOP Schemes are not in compliance with the provisions of the SEBI ESOP Guidelines and our Company does not intend to grant any further options under the ESOP Schemes. The options remaining to be granted under ESOP 2008 and 2010 shall stand lapsed. The details of the ESOP schemes of our Company are as follows:

a) **Just Dial Employee Stock Option Scheme 2007 (“ESOP 2007”)**

Our Company instituted ESOP 2007 on March 29, 2007, pursuant to resolutions dated February 26, 2007 and March 20, 2007, passed by our Board and Shareholders, respectively. The objective of ESOP 2007 was to create a sense of ownership within the organization and to reward the employees and our Directors and those of our subsidiaries and motivate them to drive company value.

The Shareholders of our Company in their meeting held on March 20, 2007 had approved the grant of 10,616 options convertible into 10,616 Equity Shares, pursuant to which our Company granted 9,400 options during Fiscal 2007, convertible into 9,400 Equity Shares, which represents 0.014% of the paid-up equity capital of our Company as of December 31, 2012. The remaining 1,216 options which were not granted under ESOP 2007 were transferred to ESOP 2008, pursuant to a resolution dated September 2, 2008 passed by our Board. Out of the 9,400 options (Pool 1) granted during fiscal 2007 under ESOP 2007, 7,975 options have been exercised and converted into 7,975 Equity Shares and the remaining 1,425 options have lapsed. Pursuant to a resolution dated March 22, 2010 passed by our Board, 1,425 options which had lapsed under ESOP 2007, were transferred to ESOP 2008. The following table sets forth the particulars of the options granted under ESOP 2007 as of the date of filing of this Red Herring Prospectus:

<b>Particulars</b>	<b>Details</b>
Options granted	9,400 during Fiscal 2007 (Pool 1)
The pricing formula	Under ESOP 2007, Equity Shares pursuant to exercise of the options were issued at face value, i.e., ₹ 10
Exercise price of options (as on the date of grant of options)	₹ 10
Total options vested	7,975
Options exercised	7,975
Total number of Equity Shares that would arise as a result of full exercise of options already granted	7,975 (net of options forfeited/ lapsed/ cancelled)
Options forfeited/lapsed/cancelled	1,425 <sup>(1)</sup>
Variation in terms of options	Nil
Money realised by exercise of options	₹ 79,750
Options outstanding (in force)	Nil
Person wise details of options granted to	
(i) Directors, key management employees and other management personnel	Please see Note 1 below
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Please see Note 2 below
(iii) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	Nil
Fully diluted EPS on a pre-Offer basis on exercise of options calculated in accordance with Accounting Standard (AS) 20 ‘Earning Per Share’	N.A.
Difference between employee compensation cost using the intrinsic value method and the employee compensation cost that shall have been recognised if our Company had used fair value of options and impact of this difference on profits and EPS of our Company for the nine month period ended December 31, 2012	₹ 28,272  Impact on profit: Profit would be less by ₹ 28,272  Impact on EPS (basic): ₹ 0  Impact on EPS (diluted): ₹ 0
Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock for	Weighted average exercise price (as on the date of grant) – ₹ 10 Weighted average fair value (as on the



Particulars	Details
fiscal 2012	date of grant)– ₹ 1,693
Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	<p>Our Company has adopted the Black Scholes method to estimate the fair value of the options with the following assumptions:</p> <ul style="list-style-type: none"> <li>i. Risk free interest rate: 7.64%, 7.96%, 8.22% and 8.28% for each of four vesting dates;</li> <li>ii. Expected life: seven years;</li> <li>iii. Expected volatility: Nil</li> <li>iv. Expected dividends: Nil</li> <li>v. Price of underlying share in market at the time of grant of option: NA</li> </ul>
Vesting schedule	The options vested in four equal installments on March 29, 2007, March 1, 2008, March 1, 2009 and March 1, 2010
Lock-in	The Equity Shares allotted pursuant to the exercise of options granted under ESOP 2007 was subject to lock-in for a period of one year from the date of vesting of the options or 15 days from the date of exercise of the options, whichever is later.
Impact on profits and EPS of the last three years if our Company had followed the accounting policies specified in clause 13 of the SEBI ESOP Guidelines in respect of options granted in the last three years	<p><i>Impact on profits</i></p> <p>Fiscal 2012: ₹ 0</p> <p>Fiscal 2011: ₹ 0</p> <p>Fiscal 2010: ₹ 854,560</p> <p><i>Impact on Basic EPS</i></p> <p>Fiscal 2012: ₹ 0</p> <p>Fiscal 2011: ₹ 0</p> <p>Fiscal 2010: ₹ 0</p> <p><i>Impact on Diluted EPS</i></p> <p>Fiscal 2012: ₹ 0</p> <p>Fiscal 2011: ₹ 0</p> <p>Fiscal 2010: ₹ 0</p>
Intention of the holders of equity shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer	Nil
Intention to sell equity shares arising out of the exercise of shares granted under ESOP 2007 within three months after the listing of equity shares by directors, senior managerial personnel and employees	Nil

Particulars	Details
amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	

<sup>(1)</sup> These 1,425 options have been transferred to ESOP 2008, pursuant to a resolution dated March 22, 2010 passed by our Board of Directors.

**Note 1: Details regarding options granted to our Directors and key management personnel and other management personnel are set forth below under ESOP 2007:**

Name of director/ key management personnel/other management personnel	Total No. of options granted	No. of options exercised	Total No. of options outstanding
Koora Srinivas	600	600	Nil

**Note 2: Employees who received a grant in any one year of options amounting to 5% or more of the options granted during the year under ESOP 2007:**

Name of Employee	No. of options granted
Ajay Mohan	600
Koora Srinivas	600
Madhu Nair	500
Murlidhar Nayak	500
Rajesh Ramlal Dembla	600
Shyam S. Khattar	600

**b) Just Dial Employee Stock Option Scheme 2008 (“ESOP 2008”)**

Our Company instituted ESOP 2008 on July 14, 2008, pursuant to resolutions dated July 14, 2008 and July 23, 2008, passed by our Board and Shareholders, respectively. The objective of ESOP 2008 was to provide an incentive to attract employees, reward them and enhance their motivation, to enable employees to participate in the long term growth and financial success of our Company and to act as a mechanism for the retention of employees.

The Shareholders of our Company in their meeting held on July 23, 2008 had approved the grant of 11,170 options during Fiscal 2009, convertible into 11,170 Equity Shares and in their meeting held on March 22, 2010, approved the grant of an additional 6,975 options during Fiscal 2010, convertible into 6,975 Equity Shares under ESOP 2008. Further, pursuant to the resolutions dated September 2, 2008 and March 22, 2010 passed by our Board, an aggregate of 2,641 options were transferred to ESOP 2008 from ESOP 2007. Accordingly, an aggregate of 20,786 options were available for grant under ESOP 2008, out of which, our Company granted 11,170 options (Pool 2) during Fiscal 2009 and 400 options (Pool 3) and 6,975 options (Pool 4) during Fiscal 2010 aggregating to 18,545 options convertible into 18,545 Equity Shares, which represents 0.027% of the paid-up equity capital of our Company as of December 31, 2012. From the 18,545 options granted under ESOP 2008, 18,265 options have been exercised and converted into 18,265 Equity Shares and the remaining 280 options have lapsed. The following table sets forth the particulars of the options granted under ESOP 2008 as of the date of filing of this Red Herring Prospectus:

Particulars	Details
Options granted	18,545 options consisting of : <ul style="list-style-type: none"> <li>• 11,170 options granted during Fiscal 2009 (“Pool 2”),</li> <li>• 400 options granted during Fiscal 2010 (“Pool 3”), and</li> </ul>

Particulars	Details
	<ul style="list-style-type: none"> <li>6,975 options granted during Fiscal 2010 ("Pool 4")</li> </ul>
The pricing formula	Under ESOP 2008, Equity Shares pursuant to exercise of the options were issued at face value, i.e., ₹ 10
Exercise price of options (as on the date of grant of options)	<ul style="list-style-type: none"> <li>Pool 2 - ₹ 4,595 per option</li> <li>Pool 3 - ₹ 4,500 per option</li> <li>Pool 4 - ₹ 10 per option</li> </ul>
Total options vested	18,265
Options exercised	18,265
Total number of Equity Shares that would arise as a result of full exercise of options already granted	18,265 (net of options forfeited/ lapsed/ cancelled)
Options forfeited/lapsed/cancelled	280
Variation in terms of options	NA
Money realised by exercise of options	₹ 51,935,900
Options outstanding (in force)	Nil
Person wise details of options granted to	
(i) Directors, key management employees and other management personnel	Please see Note 1 below
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Please see Note 2 below
(iii) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	Please see Note 3 below
Fully diluted EPS on a pre-Offer basis on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'	<p>₹ 6.89 (As on December 31, 2012) (as per the restated unconsolidated summary statements)</p> <p>₹ 8.13 (As on March 31, 2012) (as per the restated consolidated summary statements)</p>
Difference between employee compensation cost using the intrinsic value method and the employee compensation cost that shall have been recognised if our Company had used fair value of options and impact of this difference on profits and EPS of our Company for the nine month period ended December 31, 2012	<p>₹ 1,031,561</p> <p>Impact on profit: Profit would be less by ₹ 1,031,561</p> <p>Impact on EPS (basic): ₹ 0</p> <p>Impact on EPS (diluted): ₹ 0</p>
Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock for fiscal 2012	<p>Weighted average exercise price of options where exercise price is less than fair value (as on the date of grant): ₹ 10</p> <p>Weighted average exercise price of options whether exercise price is more than the fair value (as on the date of grant): ₹ 4,591.72</p> <p>Weighted average fair value of options where exercise price is less than fair</p>

Particulars	Details
	<p>value (as on the date of grant): ₹ 2,094</p> <p>Weighted average fair value of options where exercise price is more than the fair value (as on the date of grant): ₹ 64.70</p>
<p>Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option</p>	<p>Our Company has adopted the Black Scholes method to estimate the fair value of the options with the following assumptions:</p> <p>For Pool 2:</p> <ul style="list-style-type: none"> <li>i. Risk free interest rate: 7.87%;</li> <li>ii. Expected life: seven years;</li> <li>iii. Expected volatility: Nil</li> <li>iv. Expected dividends: Nil</li> <li>v. Price of underlying share in market at the time of grant of option: NA</li> </ul> <p>Pool 3:</p> <ul style="list-style-type: none"> <li>i. Risk free interest rate: 7.67%;</li> <li>ii. Expected life: seven years;</li> <li>iii. Expected volatility: Nil</li> <li>iv. Expected dividends: Nil</li> <li>v. Price of underlying share in market at the time of grant of option: NA</li> </ul> <p>Pool 4:</p> <ul style="list-style-type: none"> <li>i. Risk free interest rate: 7.58%;</li> <li>ii. Expected life: seven years;</li> <li>iii. Expected volatility: Nil</li> <li>iv. Expected dividends: Nil</li> <li>v. Price of underlying share in market at the time of grant of option: NA</li> </ul>
<p>Vesting schedule</p>	<p>Please see Note 4 below</p>
<p>Lock-in</p>	<p>The Equity Shares allotted pursuant to the exercise of options granted under ESOP 2008 was subject to lock-in for a period of one year from the date of vesting of the options or 15 days from the date of exercise of the options, whichever is later.</p>
<p>Impact on profits and EPS of the last three years if our Company had followed the accounting policies specified in clause 13 of the SEBI ESOP Guidelines in respect of options granted in the last three years</p>	<p><i>Impact on profits</i></p> <p>Fiscal 2012: ₹ 0</p> <p>Fiscal 2011: ₹ 0</p> <p>Fiscal 2010: ₹ 13,119,975</p> <p><i>Impact on Basic EPS</i></p> <p>Fiscal 2012: ₹ 0</p>

Particulars	Details
	Fiscal 2011: ₹ 0 Fiscal 2010: ₹ 0 <i>Impact on Diluted EPS</i> Fiscal 2012: ₹ 0 Fiscal 2011: ₹ 0 Fiscal 2010: ₹ 0
Intention of the holders of equity shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer	Nil
Intention to sell equity shares arising out of the exercise of shares granted under ESOP 2008 within three months after the listing of equity shares by directors, senior managerial personnel and employees amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	Nil

**Note 1: Details regarding options granted to our Directors and key management personnel and other management personnel are set forth below under ESOP 2008:**

Name of director/ key management personnel/ other management personnel	Total No. of options granted	No. of options exercised	Total No. of options outstanding
Sandipan Chattopadhyay	11,170	11,170*	-
Koora Srinivas	850	850	-

\* Pursuant to loan agreement dated June 5, 2012, our Promoter, V.S.S. Mani has provided a loan of ₹ 30.00 million to Sandipan Chattopadhyay for the purpose of exercising the employee stock options granted to him by our Company under ESOP 2008. This loan has been repaid by Sandipan Chattopadhyay.

**Note 2: Employees who received a grant in any one year of options amounting to 5% or more of the options granted during the year under ESOP 2008:**

Name of Employee	No. of options granted
Sandipan Chattopadhyay	11,170
Koora Srinivas	850

**Note 3: Employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant under ESOP 2008:**

Name of Employee	No. of options granted
Sandipan Chattopadhyay	11,170

**Note 4: Vesting schedule of the options granted under ESOP 2008:**

Date of vesting	Percentage of options granted under ESOP 2008 (%)*		
	Pool 2	Pool 3	Pool 4
Immediately upon grant of the options	-	-	100

Date of vesting	Percentage of options granted under ESOP 2008 (%) <sup>*</sup>		
	Pool 2	Pool 3	Pool 4
March 31, 2010	10	-	-
March 31, 2011	20	10	-
March 31, 2012	30	20	-
March 31, 2013	40	30	-
March 31, 2014 <sup>**</sup>	-	40	-

<sup>\*</sup> Pool 2 consists of 11,170 options granted under ESOP 2008, Pool 3 consists of 400 options granted under ESOP 2008 and Pool 4 consists of 6,975 options granted under ESOP 2008.

<sup>\*\*</sup> All Equity Shares granted under ESOP 2008 have been exercised or have been forfeited, lapsed or cancelled. Accordingly, no further Equity Shares will be granted under ESOP 2008.

**c) Just Dial Employee Stock Option Scheme 2010 (“ESOP 2010”)**

Our Company instituted ESOP 2010 on April 1, 2010, pursuant the resolutions dated April 1, 2010 and April 24, 2010, passed by our Board and Shareholders, respectively. The objective of ESOP 2010 was to provide an incentive to attract employees, reward them and enhance their motivation, to enable employees to participate in the long term growth and financial success of our Company and to act as a mechanism for the retention of employees.

The Shareholders of our Company in their meeting held on April 24, 2010 had approved the grant of 2,000,000 options convertible into 2,000,000 Equity Shares pursuant to which our Company granted 82,936 options (Pool 5) during Fiscal 2011, 640,727 options (Pool 6) during Fiscal 2011, 155,176 options (Pool 6) during Fiscal 2011, 138,525 options (Pool 6) during Fiscal 2011 and 10,311 options (Pool 6) during Fiscal 2012 aggregating to 1,027,675 options, convertible into 1,027,675 Equity Shares, which represents 1.48% of the paid-up equity capital of our Company as of December 31, 2012. Out of the 1,027,675 options granted under ESOP 2010, 278,857 options have been exercised and converted into 278,857 Equity Shares, 676,255 options are outstanding and 72,563 options have lapsed. The following table sets forth the particulars of the options granted under ESOP 2010 as of the date of filing of this Red Herring Prospectus:

Particulars	Details
Options granted	1,027,675 options consisting of: <ul style="list-style-type: none"> <li>• 82,936 options granted during Fiscal 2011 (“Pool 5”), and</li> <li>• 640,727 options granted during Fiscal 2011, 155,176 options granted during Fiscal 2011, 138,525 options granted during Fiscal 2011 and 10,311 options granted during Fiscal 2012 (collectively “Pool 6”)</li> </ul>
The pricing formula	Under ESOP 2010, Equity Shares pursuant to exercise of the options were issued at face value, i.e., ₹ 10
Exercise price of options (as on the date of grant of options)	<ul style="list-style-type: none"> <li>• Pool 5 - ₹ 80 per option</li> <li>• 640,727 options out of Pool 6 – ₹ 80 per option</li> <li>• 155,176 options out of Pool 6 – ₹ 10 per option</li> <li>• 138,525 options out of Pool 6 – ₹ 80 per option</li> <li>• 10,311 options out of Pool 6 – ₹ 80 per option</li> </ul>

Particulars	Details
Total options vested	345,528
Options exercised	278,857
Total number of Equity Shares that would arise as a result of full exercise of options already granted	955,112 (net of options forfeited/lapsed/ cancelled)
Options forfeited/lapsed/cancelled	72,563
Variation in terms of options	NA
Money realised by exercise of options	₹ 19,049,850
Options outstanding (in force)	676,255
Person wise details of options granted to	
(i) Directors, key management employees and other management personnel	Please see Note 1 below
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Please see Note 2 below
(iii) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	NA
Fully diluted EPS on a pre-Offer basis on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'	₹ 6.89 (As on December 31, 2012) (as per the restated unconsolidated summary statements)  ₹ 8.13 (As on March 31, 2012) (as per the restated consolidated summary statements)
Difference between employee compensation cost using the intrinsic value method and the employee compensation cost that shall have been recognised if our Company had used fair value of options and impact of this difference on profits and EPS of our Company for the nine month period ended December 31, 2012	₹ 5,232,767  Impact on profit: Profit would be less by ₹ 5,232,767  Impact on EPS (basic): 0.08  Impact on EPS (diluted): 0.08
Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock for fiscal 2012	Weighted average exercise price (as on the date of grant): ₹ 69  Weighted average fair value (as on the date of grant): ₹ 37
Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	Our Company has adopted the Black Scholes method to estimate the fair value of the options with the following assumptions:  i. Risk free interest rate: 7.74%, 7.69%, 7.66% and 7.66% for each of the four vesting dates; ii. Expected life: seven years; iii. Expected volatility: Nil iv. Expected dividends: Nil v. Price of underlying share in market at the time of grant of option: NA
Vesting schedule	Pool 5: i. 25% on April 30, 2011; ii. 25% on April 30, 2012;

Particulars	Details
	iii. 25% on April 30, 2013; iv. 25% on April 30, 2014;  640,727 options out of Pool 6: i. 10% on July 31, 2011; ii. 20% on July 31, 2012; iii. 30% on July 31, 2013; iv. 40% on July 31, 2014;  155,176 options out of Pool 6: i. 10% on October 31, 2011; ii. 20% on October 31, 2012; iii. 30% on October 31, 2013; iv. 40% on October 31, 2014;  138,525 options out of Pool 6: i. 10% on December 31, 2011; ii. 20% on December 31, 2012; iii. 30% on December 31, 2013; iv. 40% on December 31, 2014;  10,311 options out of Pool 6: i. 10% on March 31, 2012; ii. 20% on March 31, 2013; iii. 30% on March 31, 2014; iv. 40% on March 31, 2015;
Lock-in	NA
Impact on profits and EPS of the last three years if our Company had followed the accounting policies specified in clause 13 of the SEBI ESOP Guidelines in respect of options granted in the last three years	<i>Impact on profits</i> Fiscal 2012: ₹ 5,598,746  Fiscal 2011: ₹ 3,239,525  Fiscal 2010: ₹ 0  <i>Impact on Basic EPS</i> Fiscal 2012: ₹ 0.18  Fiscal 2011: ₹ 0.13  Fiscal 2010: ₹ 0.02  <i>Impact on Diluted EPS</i> Fiscal 2012: ₹ 0.15  Fiscal 2011: ₹ 0.10  Fiscal 2010: ₹ 0
Intention of the holders of equity shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer	Nil
Intention to sell equity shares arising out of the exercise of shares	Nil



Particulars	Details
granted under ESOP 2010 within three months after the listing of equity shares by directors, senior managerial personnel and employees amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	

**Note 1: Details regarding options granted to our Directors and key management personnel and other management personnel are set forth below under ESOP 2010:**

Name of director/ key management personnel / other management personnel	Total No. of options granted	No. of options exercised	Total No. of options outstanding
Ramkumar Krishnamachari	155,176	46,553	108,623
Koora Srinivas	45,976	34,482	11,494
Shreos Roy Chowdhury	35,000	10,500	24,500
Sachin Jain	4,000	1,200	2,800

**Note 2: Employees who received a grant in any one year of options amounting to 5% or more of the options granted during the year under ESOP 2010:**

Name of Employee	No. of options granted
Ramkumar Krishnamachari	155,176

15. Other than the Safety Net Scheme, our Company, our Directors and the BRLMs have not entered into any buy-back and/or standby arrangements or any safety net arrangement for purchase of Equity Shares from any person. For details of the Safety Net Scheme, please see the section "Safety Net Arrangement" on page 373.
16. The details of the Equity Shares issued by our Company during a period of one year preceding the date of this Red Herring Prospectus at a price which may be lower than the Offer Price are provided in the following table:

Sr. No.	Name of Person/Entity	Date of Issue	No. of Equity Shares	Issue price (₹)	Reason
1.	SAIF	May 11, 2012	159,598 <sup>(1)</sup>	-	Allotted pursuant to conversion of Preference Shares Series A.
2.	Tiger Global Four JD Holdings	May 11, 2012	35,967 <sup>(1)</sup>	-	Allotted pursuant to conversion of Preference Shares Series A.
3.	V.S.S. Mani <sup>(2)</sup>	May 11, 2012	1 <sup>(1)</sup>	-	Allotted pursuant to conversion of Preference Shares Series B.
4.	EGCS	May 11, 2012	484,030 <sup>(1)</sup>	-	Allotted pursuant to conversion of Preference Shares Series C.
5.	SAPV	May 11, 2012	484,030 <sup>(1)</sup>	-	Allotted pursuant to conversion of Preference Shares Series C.
6.	SAIF	May 11, 2012	8,777,890	-	Allotment on account of the bonus issue in the ratio 55:1, undertaken on April 24, 2010, upon conversion of Preference

Sr. No.	Name of Person/Entity	Date of Issue	No. of Equity Shares	Issue price (₹)	Reason
					Shares Series A
7.	Tiger Global Four JD Holdings	May 11, 2012	1,978,185	-	Allotment on account of the bonus issue in the ratio 55:1, undertaken on April 24, 2010, upon conversion of Preference Shares Series A
8.	Ramkumar Krishnamachari	June 11, 2012	15,518	10	Allotted pursuant to exercise of options granted under ESOP 2010
9.	Sandipan Chatopadhyay	June 11, 2012	368,610	-	Allotment on account of the bonus issue in the ratio 55:1 undertaken on April 24, 2010 upon exercise of options granted under ESOP 2008
10.	Shakeeb Shaikh	June 11, 2012	6,600	-	Allotment on account of the bonus issue in the ratio 55:1 undertaken on April 24, 2010 upon exercise of options granted under ESOP 2008.
11.	Certain employees of our Company	June 11, 2012	66,402	80	Allotted pursuant to exercise of options granted under ESOP 2010
12.	Sequoia I	July 21, 2012	2,568,243	488.66	Allotted pursuant to share subscription agreement dated June 21, 2012 between Sequoia I, Sequoia II and our Company.
13.	Sequoia II	July 21, 2012	2,568,243	488.66	Allotted pursuant to share subscription agreement dated June 21, 2012 between Sequoia I, Sequoia II and our Company.
14.	Certain employees of our Company	September 28, 2012	15,953	80	Allotted pursuant to exercise of options granted under ESOP 2010
15.	Certain employees of our Company	January 23, 2013	28,029	80	Allotted pursuant to exercise of options granted under ESOP 2010
16.	Ramkumar Krishnamachari	January 23, 2013	31,035	10	Allotted pursuant to exercise of options granted under ESOP 2010

Sr. No.	Name of Person/Entity	Date of Issue	No. of Equity Shares	Issue price (₹)	Reason
17.	Certain employees of our Company	April 3, 2013	97,744	80	Allotted pursuant to exercise of options granted under ESOP 2010
18.	Sandipan Chattopadhyay	April 3, 2013	245,740	-	Allotment on account of the bonus issue in the ratio 55:1 undertaken on April 24, 2010 upon exercise of options granted under ESOP 2008
19.	Certain employees of our Company	May 4, 2013	21,376	80	Allotted pursuant to exercise of options granted under ESOP 2010

<sup>(1)</sup> Equity Shares allotted upon conversion of Preference Shares. In accordance with the terms of the amended and restated shareholders' agreement dated May 23, 2011, Preference Shares were converted into Equity Shares in the ratio of 1:1 without payment of any additional conversion price. Accordingly, no additional consideration was paid at the time of conversion of the Preference Shares into Equity Shares.

<sup>(2)</sup> V.S.S. Mani is one of the Promoters of our Company.

17. Except as stated below, none of our Promoters, Promoter Group, our Directors and the immediate relatives of our Directors have purchased or sold any Equity Shares during a period of six months preceding the date of filing of the Draft Red Herring Prospectus with SEBI:

Sr. No.	Name of the Director/ Promoters/ Promoter Group	Date of the Transaction	No. of Equity Shares	Transfer price (₹)	Nature of Transaction
1.	V.S.S. Mani	August 8, 2012	548,638	488.66	Sale to Sequoia I
2.	V.S.S. Mani	August 8, 2012	433,638	488.66	Sale to Sequoia II
3.	V. Krishnan	August 8, 2012	373,000	488.66	Sale to SAPV

18. Except as stated below, none of our Promoter, Promoter Group or our Directors have purchased/subscribed to any securities of our Company within three years immediately preceding the date of registering this Red Herring Prospectus with the RoC which in aggregate is equal to or greater than 1% of pre-Offer capital of our Company:

Sr. No.	Name of the shareholder	Promoter/ Promoter Group/ Director	Date	Nature of transaction	No. of shares purchased/ subscribed	% of pre-Offer paid-up capital
1.	V.S.S. Mani	Promoter	April 24, 2010	Allotment pursuant to bonus issue	22,295,790	31.92
			May 11, 2012	Allotment pursuant to conversion of Preference Shares Series B	1	0.00

Sr. No.	Name of the shareholder	Promoter/ Promoter Group/ Director	Date	Nature of transaction	No. of shares purchased/ subscribed	% of pre- Offer paid-up capital
	<b>Total</b>				<b>22,295,794</b>	<b>31.92</b>
2.	Ramani Iyer	Promoter	April 24, 2010	Allotment pursuant to bonus issue	2,157,815	3.09
	<b>Total</b>				<b>2,157,815</b>	<b>3.09</b>
3.	V. Krishnan	Promoter	April 24, 2010	Allotment pursuant to bonus issue	2,157,815	3.09
	<b>Total</b>				<b>2,157,815</b>	<b>3.09</b>

Further, except as stated below, none of our Promoter, Promoter Group or our Directors have sold any securities of our Company within three years immediately preceding the date of registering this Red Herring Prospectus with the RoC which in aggregate is equal to or greater than 1% of pre-Offer capital of our Company:

Sr. No.	Name of the shareholder	Promoter/ Promoter Group/ Director	Date	Nature of transaction	No. of shares purchased / subscribed	% of pre- Offer paid-up capital
1.	V.S.S. Mani	Promoter	August 8, 2012	Sale to Sequoia I	548,638	0.79
			August 8, 2012	Sale to Sequoia II	433,638	0.62
	<b>Total</b>				<b>982,276</b>	<b>1.41</b>

19. Our Company has not issued any Equity Shares out of revaluation reserves.
20. Except as stated under “Share Capital History of our Company” on page 79, our Company has not issued any Equity Shares pursuant to any scheme approved under the sections 391-394 of the Companies Act.
21. None of the BRLMs or any associates of the BRLMs hold any Equity Shares in our Company.
22. An oversubscription to the extent of 10% of the Offer can be retained for the purposes of rounding off to the nearer multiple of minimum allotment lot.
23. All Equity Shares will be fully paid up at the time of Allotment failing which no Allotment shall be made.
24. Our Promoter Group, our Directors or the relatives of our Directors have not financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity, during the six months preceding the date of filing of the Draft Red Herring Prospectus, except as mentioned below:

Pursuant to loan agreement dated June 5, 2012, our promoter, V.S.S. Mani has provided a loan of ₹ 30.00 million to Sandipan Chattopadhyay, one of our key management personnel, for the purpose of exercising certain employee stock options granted to him by our Company under the Just Dial Employee Stock Option

Scheme 2008. This loan has been repaid by Sandipan Chattopadhyay. For the details of the employee stock options granted to Sandipan Chattopadhyay, please see the section “Capital Structure – Employee Stock Option Plan – Just Dial Employee Stock Option Scheme 2008” on page 96.

25. There are 676,255 options outstanding under the ESOP Schemes of our Company which are convertible into 676,255 Equity Shares.
26. Except as stated in note 25 above, there will not be any further issue of Equity Shares, whether by way of issue of bonus Equity Shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of the Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed.
27. Other than as mentioned in note 25 above, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares.
28. Other than exercise of the options granted pursuant to the ESOP Schemes and their consequent conversion into Equity Shares, our Company presently does not intend or propose to alter the capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or issue of bonus or rights or further public issue of specified securities or qualified institutions placement or otherwise. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures.
29. Our Company shall Allot at least 75% of the Offer to QIBs on a proportionate basis, provided that our Company may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only and the remaining QIB Portion shall be available for allocation on a proportionate basis to the QIB Bidders (other than Anchor Investors) including Mutual Funds subject to valid Bids being received at or above the Offer Price. Further, not more than 15% of the Offer will be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Offer will be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received from them at or above the Offer Price. Under-subscription, if any, in any category, except in the QIB category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange. At least 75% of the Offer shall be Allotted to QIBs, and in the event that at least 75% of the Offer cannot be Allotted to QIBs, the entire application money shall be refunded forthwith.
30. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

## OBJECTS OF THE OFFER

The objects of the Offer are to achieve the benefits of listing the Equity Shares on the Stock Exchanges and to carry out the sale of 17,497,458 Equity Shares by the Selling Shareholders. The listing of the Equity Shares will enhance our brand name and provide liquidity to the existing shareholders. Listing will also provide a public market for the Equity Shares in India. Our Company will not receive any proceeds from the Offer.

### Offer Expenses

The Offer related expenses consist of listing fees, underwriting fees, selling commission, fees payable to the BRLMs, legal counsel, Bankers to the Offer including processing fee to the SCSBs for processing Bid cum Application Forms submitted by the ASBA Bidders procured by the BRLMs and submitted to the SCSBs, Escrow Bankers and Registrars to the Offer, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges. All expenses with respect to the Offer will be paid by and shared between the Selling Shareholders. Payments, if any, made by our Company in relation to the Offer shall be on behalf of the Selling Shareholders and such payments will be reimbursed by the Selling Shareholders to our Company. The break-up for the Offer expenses is as follows:

Activity	Expense* (₹ in million)	Expense* (% of total expenses)	Expense* (% of the Offer size)
Book Running Lead Managers	[•]	[•]	[•]
Registrar to the Offer	[•]	[•]	[•]
Advisors	[•]	[•]	[•]
Bankers to the Offer	[•]	[•]	[•]
Underwriting commission, brokerage and selling commission	[•]	[•]	[•]
IPO Grading Expenses	[•]	[•]	[•]
Listing Expenses	[•]	[•]	[•]
Printing and Distribution	[•]	[•]	[•]
Advertising and Marketing	[•]	[•]	[•]
Others, if any (specify)	[•]	[•]	[•]
Total estimated Offer expenses	[•]	[•]	[•]

\* Will be completed after finalisation of the Offer Price.

### Commission payable to the Registered Brokers

The commission payable to the Registered Brokers shall be as specified below:

Size of the Bid cum Application Form	Commission payable
₹ 10,000 to ₹ 100,000	₹ 10 per Bid cum Application Form on valid Bids
Greater than ₹ 100,000	₹ 15 per Bid cum Application Form on valid Bids

The total commission to be paid to the Registered Brokers for the Bid cum Applications Forms procured by them, which are considered eligible for allotment in the Offer, shall be capped at ₹ 0.75 million (the “Maximum Brokerage”). In case the total commission payable to the Registered Brokers exceeds the Maximum Brokerage, then the amount paid to the Registered Brokers would be proportionately adjusted such that the total commission payable to them does not exceed the Maximum Brokerage. The quantum of commission payable to Registered Brokers is determined on the basis of Bid cum Applications Forms. The terminal from which the Bid has been uploaded will be taken into account in order to determine the commission payable to the relevant Registered Broker.

**Monitoring of Utilization of Funds**

Since the Offer is an offer for sale and our Company will not receive any proceeds from the Offer, our Company is not required to appoint a monitoring agency for the Offer.

## BASIS FOR OFFER PRICE

The Offer Price of ₹ [●] will be determined by our Company and the Selling Shareholders in consultation with the BRLMs, on the basis of assessment of market demand and on the basis of the following qualitative and quantitative factors for the Equity Shares offered by way of the Book Building Process. The face value of the Equity Shares is ₹ 10 and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Investors should also refer to the sections “Our Business”, “Risk Factors” and “Financial Statements” on pages 134, 15 and 187, respectively, to have an informed view before making an investment decision.

### Qualitative Factors

Some of the qualitative factors which form the basis for computing the Offer Price are:

- We have a first mover advantage in the local search market in India;
- Strong brand recognition;
- Direct and personal relationship with SMEs;
- Experience and expertise of our management in the local Indian market ; and
- We provide our services across multiple platforms using our proprietary and award-winning technology.

For further details, refer to “Our Business” and “Risk Factors” on pages 134 and 15 respectively.

### Quantitative Factors

Subsequent to the nine month period ended December 31, 2012:

- On January 23, 2013, our Company issued 28,029 Equity Shares to certain employees pursuant to exercise of the options granted to them.
- On January 23, 2013, our Company issued 31,035 Equity Shares to Ramkumar Krishnamachari pursuant to exercise of the options granted to him.
- On April 3, 2013, our Company issued 97,744 Equity Shares to certain employees pursuant to exercise of the options granted to them.
- On April 3, 2013, our Company issued 4,468 Equity Shares and 245,740 bonus Equity Shares to Sandipan Chattopadhyay pursuant to exercise of the options granted to him. These bonus Equity Shares were issued on account of the bonus issue in the ratio of 55:1, undertaken by our Company on April 24, 2010.
- On May 4, 2013, our Company issued 21,376 Equity Shares to certain employees pursuant to exercise of the options granted to them.

The ratios mentioned in this section do not include the impact of these events subsequent to the balance sheet date, including the impact due to preference dividend no longer payable.

Information presented in this section is derived from the restated summary statements.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

#### *1) Earnings Per Share (“EPS”)*

As per the restated unconsolidated summary statements



Financial Period	Basic EPS (₹)	Diluted EPS (₹)	Weight
Year ended March 31, 2010	2.93	2.93	1
Year ended March 31, 2011	4.75	4.60	2
Year ended March 31, 2012	8.93	7.78	3
<b>Weighted Average</b>	<b>6.54</b>	<b>5.91</b>	
Nine month period ended December 31, 2012*	7.19	6.89	-

Note: EPS calculations have been done in accordance with Accounting Standard 20 - "Earning per share" issued by the Institute of Chartered Accountants of India

\*Not annualized and not comparable to full year EPS

As per the restated consolidated summary statements

Financial Period	Basic EPS (₹)	Diluted EPS (₹)	Weight
Year ended March 31, 2010	2.74	2.74	1
Year ended March 31, 2011	4.72	4.57	2
Year ended March 31, 2012	9.37	8.13	3
<b>Weighted Average</b>	<b>6.72</b>	<b>6.05</b>	

Note: EPS calculations have been done in accordance with Accounting Standard 20 - "Earning per share" issued by the Institute of Chartered Accountants of India

## 2) Price Earnings Ratio ("P/E" Ratio)

P/E Ratio in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share

Particulars	P/E at the lower end of Price Band (no. of times)	P/E at the higher end of Price Band (no. of times)
Based on Unconsolidated EPS for the nine month period ending December 31, 2012	[●]	[●]
Based on Unconsolidated EPS for Fiscal 2012	[●]	[●]
Based on Unconsolidated Weighted Average EPS	[●]	[●]

Particulars	P/E at the lower end of Price Band (no. of times)	P/E at the higher end of Price Band (no. of times)
Based on Consolidated EPS for Fiscal 2012	[●]	[●]
Based on Consolidated Weighted Average EPS	[●]	[●]

Peer Group P/E: We believe that none of the listed companies in India are engaged in our line of business.

## 3) Return on Net Worth (RoNW)\* as per restated summary statements

As per the restated unconsolidated summary statements:

Particulars	RONW %	Weight
Year ended March 31, 2010	29.39%	1
Year ended March 31, 2011	30.21%	2
Year ended March 31, 2012	48.93%	3
<b>Weighted Average</b>	<b>39.43%</b>	
Nine month period ended December 31, 2012**	11.63%	-

\*\*Not annualized and not comparable to RONW for full year periods

As per the restated consolidated summary statements:

Particulars	RONW %	Weight
Year ended March 31, 2010	28.88%	1
Year ended March 31, 2011	30.72%	2
Year ended March 31, 2012	51.09%	3
<b>Weighted Average</b>	<b>40.59%</b>	

\* *Return on net worth (%) (Considering outstanding financial instruments) = Net Profit after tax as restated / Net worth at the end of the year including preference share capital.*

**There will be no change in the net worth post-Offer as the Offer is by way of offer for sale by the Selling Shareholders.**

#### **4) Net Asset Value (“NAV”) Per Equity Share after considering the increased share capital<sup>(1)</sup>**

Net Asset Value (after retrospective adjustment of bonus issue and outstanding financial instruments) per Equity Share as of December 31, 2012 is ₹ 57.51 as per the restated unconsolidated summary statements.

After the Offer: [●]<sup>2</sup>

Offer Price: ₹ [●]<sup>3</sup>

<sup>(1)</sup> *Net asset value per share (₹) after retrospective adjustment of bonus issue and outstanding financial instruments = Net worth at the end of the period/year including preference share capital/ Total number of equity shares outstanding at the end of the period/year + Potential equity shares on exercise of stock options as per guidance note on ESOP + Potential equity shares from convertible preference shares.*

<sup>(2)</sup> *There will be no change in the net worth post-Offer as the Offer is by way of offer for sale by the Selling Shareholders.*

<sup>(3)</sup> *Offer Price will be determined on the conclusion of the Book Building Process.*

#### **Comparison of Accounting Ratios with Industry Peers**

We believe that none of the listed companies in India are engaged in our line of business. We have, however, disclosed the Price / Earnings per share and Price / Book Value per share of companies with Internet-based business models in the section “Risk Factors”. For details, please see the section “Risk Factors - Some of our Company’s previous valuation benchmarks were established at a significantly lower level as compared to the current Offer Price” on page 20.

Since the Offer is being made through the Book Building Process, the Offer Price will be determined on the basis of investor demand.

The face value of our Equity Shares is ₹ 10 each and the Offer Price is [●] times of the face value of our Equity Shares.

The Offer Price of ₹ [●] has been determined by our Company and Selling Shareholders, in consultation with the BRLMs on the basis of the demand from investors for the Equity Shares through the Book-Building Process and is justified based on the above accounting ratios. For further details, please see the section “Risk Factors” on page 15 and the financials of our Company including important profitability and return ratios, as set out in the section “Financial Statements” on page 187 to have a more informed view. The trading price of the Equity shares of our Company could decline due to the factors mentioned in the section “Risk Factors” on page 15 and you may lose all or part of your investments.

**STATEMENT OF TAX BENEFITS**  
**STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS**  
**SHAREHOLDERS**

April 17, 2013

To  
The Board of Directors  
Just Dial Limited  
Palm Court Building M, 501/B  
5th Floor, New Link Road  
Besides Goregaon Sports Complex  
Malad (W), Mumbai - 400064

Dear Sirs,

We hereby confirm that the enclosed annexure, prepared by Just Dial Limited ('the Company') states the possible tax benefits available to the Company and the shareholders of the Company under the Income – tax Act, 1961 ('Act'), the Wealth Tax Act, 1957 and the Gift Tax Act, 1958, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the company may or may not choose to fulfill.

The Finance Minister presented the Union Budget of India for the year 2013-14 on 28 February 2013. The Finance Bill 2013 ("the Bill") proposes certain amendments to the Income Tax Act, 1961 with effect from April 1, 2013, unless otherwise stated. The said amendments have been incorporated to the extent relevant in the enclosed annexure. It needs to be noted that the Bill is yet to be passed. Accordingly, the Finance Bill may undergo certain changes before the final act is passed.

The Direct Tax Code (which will replace the Income Tax Act, 1961 and Wealth Tax Act, 1957) was proposed to come into effect from April 1, 2013. As per the Budget Speech delivered by the Finance Minister on February 28, 2013, the Standing Committee on Finance has submitted its report to the Ministry of Finance and its recommendations to the Direct Tax Code are being examined by the Ministry of Finance. Thus, it may undergo changes by the time it is actually introduced and hence, at the moment, it is unclear when will it come into effect and what effect the proposed Direct Tax Code would have on the Company and the investors.

The benefits discussed in the enclosed Annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We do not express an opinion or provide any assurance as to whether:

- the Company or its shareholders will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits, where applicable have been/would be met.

**For S. R. Batliboi & Associates LLP**  
Chartered Accountants  
Firm Registration Number: 101049W

**per Govind Ahuja**  
Partner  
Membership No.: 48966  
Mumbai

## **ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO JUST DIAL LIMITED AND ITS SHAREHOLDERS**

Outlined below are the possible benefits available to the Company and its shareholders under the current direct tax laws in India for the Financial Year 2013-2014.

### **A. Special Tax benefits available to the Company**

No special tax benefit is available to the Company.

### **B. Benefits to the Company under the Act**

#### **1. General tax benefits**

##### **(a) Business income**

The Company is entitled to claim depreciation on specified tangible and intangible assets owned by it and used for the purpose of its business as per provisions of Section 32 of the Act. Business losses, if any, for an assessment year can be carried forward and set off against business profits for 8 subsequent years. Unabsorbed depreciation, if any, for an assessment year can be carried forward and set off against any source of income in subsequent years as per provisions of Section 32 of the Act.

##### **(b) MAT credit**

- As per provisions of Section 115JAA of the Act, the Company is eligible to claim credit for Minimum Alternate Tax ('MAT') paid for any assessment year commencing on or after April 1, 2006 against normal income-tax payable in subsequent assessment years.
- MAT credit shall be allowed to be carried forward for any assessment year to the extent of difference between the tax paid under Section 115JB and the tax payable as per the normal provisions of the Act for that assessment year. Such MAT credit is available for set-off up to 10 years succeeding the assessment year in which the MAT credit arises.

##### **(c) Capital gains**

###### **(i) Computation of capital gains**

- Capital assets are to be categorized into short - term capital assets and long – term capital assets based on the period of holding. All capital assets, being shares held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long – term capital assets, capital gains arising from the transfer of which are termed as long – term capital gains ('LTCG'). In respect of any other capital assets, the holding period should exceed thirty – six months to be considered as long – term capital assets.
- Short Term Capital Gains ('STCG') means capital gains arising from the transfer of capital asset being a share held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds, held by an assessee for 12 months or less.
- In respect of any other capital assets, STCG means capital gains arising from the transfer of an asset, held by an assessee for 36 months or less.
- LTCG arising on transfer of equity shares of a company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D) is exempt from

tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to securities transaction tax (STT) and subject to conditions specified in that section.

- Income by way of LTCG exempt under Section 10(38) of the Act is to be taken into account while determining book profits in accordance with provisions of Section 115JB of the Act.
  - As per provisions of Section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.
  - As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities or units or zero coupon bonds exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee.
  - As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.
  - STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), where such transaction is not chargeable to STT is taxable at the rate of 30%.
  - The tax rates mentioned above stands increased by surcharge, payable at the rate of 5% where the taxable income of a domestic company exceeds Rs 10,000,000. The Finance Bill 2013 proposes that surcharge shall be payable at the rate of 10% where the taxable income of a domestic company exceeds Rs 100,000,000. Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable by all categories of taxpayers.
  - As per Section 50 of the Act, where a capital asset is forming part of a block of assets in respect of which depreciation has been allowed under the Act, capital gains shall be computed in the following manner:
    - where full value of consideration on account of transfer of any asset forming part of block of asset, as reduced by expenditure incurred wholly or exclusively in connection with transfer, exceeds the written down value of block of assets and actual cost of assets acquired during the year, such excess shall be deemed to be short term capital gains and taxed accordingly.
    - where any block of assets ceases to exist, for the reason that all the assets in that block are transferred, the difference between the consideration arising on result of transfer and the written down value of block of assets and the actual cost of assets acquired during the year, shall be deemed to be short term capital gains/ (losses) and taxed accordingly.
  - As per provisions of Section 71 read with Section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent 8 assessment years.
  - As per provisions of Section 71 read with Section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent 8 assessment years.
- (ii) Exemption of capital gains from income – tax
- Under Section 54EC of the Act, capital gain arising from transfer of long term capital assets [other than those exempt u/s 10(38)] shall be exempt from tax, subject to the conditions and to the extent specified

therein, if the capital gain are invested within a period of six months from the date of transfer in the bonds redeemable after three years and issued by –:

- National Highway Authority of India (NHAI) constituted under Section 3 of National Highway Authority of India Act, 1988; and
  - Rural Electrification Corporation Limited (REC), a company formed and registered under the Companies Act, 1956.
- Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs 5,000,000 per assessee during any financial year.
- Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted shall be taxable as capital gains in the year of transfer / conversion.
- The characterization of the gain / losses, arising from sale / transfer of shares/ units as business income or capital gains would depend on the nature of holding and various other factors.

(d) Securities Transaction Tax ('STT')

- As per provisions of Section 36(1)(xv) of the Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

(e) Dividends

- As per provisions of Section 10(34) read with Section 115-O of the Act, dividend (both interim and final), if any, received by the Company on its investments in shares of another Domestic Company is exempt from tax. The Domestic Company distributing dividends will be liable to pay dividend distribution tax at the rate of 15% (plus a surcharge of 5% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon) on the total amount distributed as dividend. The Finance Bill 2013 proposes that surcharge shall be payable at the rate of 10% by the Domestic Company distributing dividends.
- Further, if the company being a holding company, has received any dividend from its subsidiary on which dividend distribution tax has been paid by such subsidiary, then company will not be required to pay dividend distribution tax to the extent the same has been paid by such subsidiary company.
- As per provisions of Section 10(35) of the Act, income received in respect of units of a mutual fund specified under Section 10(23D) of the Act (other than income arising from transfer of such units) is exempt from tax.
- As per the provisions of Section 115BBD of the Act, dividend received by Indian company from a specified foreign company (in which it has shareholding of 26% or more) would be taxable at the concessional rate of 15% on gross basis (excluding surcharge and education cess) upto March 31, 2013. The Finance Bill 2013 proposes that the benefit of this section be extended upto March 31, 2014.
- For removing the cascading effect of dividend distribution tax, the Finance Bill 2013 proposes that with effect from 1 June 2013, while computing the amount of dividend distribution tax payable by a Domestic Company, the dividend received from a foreign subsidiary on which income-tax has been paid by the Domestic Company under Section 115BBD of the Act shall be reduced.

(f) Buy-back of shares

- The Finance Bill 2013 proposes to introduce Section 115QA of the Act. As per the said section, an Indian unlisted company will have to pay 20% tax on 'distributed income' on buy-back of shares. Distributed income has been defined to mean consideration paid by the Indian unlisted company for purchase of its own shares as reduced by the amount which was received by the Indian unlisted company at the time of issue of such shares. It is proposed that the said provision shall come into effect from 1 June 2013.

(g) Other Provisions

- As per provisions of Section 80G of the Act, the Company is entitled to claim deduction of a specified amount in respect of eligible donations, subject to the fulfillment of the conditions specified in that section.
- As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

**C. Benefits to the Resident members / shareholders of the Company under the Act**

(a) Dividends exempt under section 10(34) of the Act

- As per provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by the resident members / shareholders from a Domestic Company is exempt from tax. The Domestic Company will be liable to pay dividend distribution tax at the rate of 15% plus a surcharge of 5% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon on the total amount distributed as dividend. The Finance Bill 2013 proposes that surcharge shall be payable at the rate of 10% by the Domestic Company distributing dividends.

(b) Capital gains

(i) Computation of capital gains

- Capital assets are to be categorized into short - term capital assets and long – term capital assets based on the period of holding. All capital assets, being shares held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long – term capital assets, capital gains arising from the transfer of which are termed as LTCG. In respect of any other capital assets, the holding period should exceed thirty – six months to be considered as long – term capital assets.
- STCG means capital gains arising from the transfer of capital asset being a share held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds, held by an assessee for 12 months or less.
- In respect of any other capital assets, STCG means capital gain arising from the transfer of an asset, held by an assessee for 36 months or less.
- LTCG arising on transfer of equity shares of a company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)) is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to STT and subject to conditions specified in that section.



- The Finance Act 2012 has amended the chapter of Securities Transaction Tax [Chapter VII of Finance Act (No 2) of 2004]. As per the amendment, sale of unlisted equity shares under an offer for sale to the public which are included in an initial public offer and where such shares are subsequently listed on a recognized stock exchange, the same would be covered within the ambit of taxable securities transaction under the said Chapter. Accordingly, STT is leviable on sale of shares under an offer for sale to the public in an initial public offer and the LTCG arising on transfer of such shares would be exempt from tax as per provisions of Section 10(38) of the Act.
  - As per provisions of Section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.
  - As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities or units or zero coupon bonds exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee.
  - As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.
  - STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), where such transaction is not chargeable to STT is taxable at the rate of 30% in case of domestic company and at normal slab rates in case of other assessees.
  - The Finance Bill 2013 proposes that any income arising to shareholders on account of buy-back of shares as referred to in Section 115QA of the Act (buy-back of shares by unlisted companies) shall be exempt in the hands of the shareholders.
  - In the case of domestic companies, the tax rates mentioned above stands increased by surcharge, payable at the rate of 5% where the taxable income of a domestic company exceeds Rs 10,000,000. The Finance Bill 2013 proposes that surcharge shall be payable at the rate of 10% where the taxable income of a domestic company exceeds Rs 100,000,000. Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable.
  - The Finance Bill 2013 proposes that surcharge shall be payable at the rate of 10% where the taxable income of a taxpayer other than a domestic company exceeds Rs 10,000,000. Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable.
  - As per provisions of Section 71 read with Section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent 8 assessment years.
  - As per provisions of Section 71 read with Section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent 8 assessment years.
- (ii) Exemption of capital gains arising from income – tax
- As per Section 54EC of the Act, capital gains arising from the transfer of a long term capital asset are exempt from capital gains tax if such capital gains are invested within a period of 6 months after the date

of such transfer in specified bonds issued by NHAI and REC and subject to the conditions specified therein:

- Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs 5,000,000 per assessee during any financial year.
- Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.
- In addition to the same, some benefits are also available to a resident shareholder being an individual or Hindu Undivided Family ('HUF').
- As per provisions of Section 54F of the Act, LTCG arising from transfer of shares is exempt from tax if the net consideration from such transfer is utilized within a period of one year before, or two years after the date of transfer, for purchase of a new residential house, or for construction of residential house within three years from the date of transfer and subject to conditions and to the extent specified therein.
- As per provisions of Section 56(2)(vii) of the Act and subject to exception provided in second proviso therein, where an individual or HUF receives shares and securities without consideration or for a consideration which is less than the aggregate fair market value of the shares and securities by an amount exceeding fifty thousand rupees, the excess of fair market value of such shares and securities over the said consideration is chargeable to tax under the head 'income from other sources'. However, the said section is not applicable in case the shares and securities are received under instances specified under the proviso thereon.

(c) Other Provisions

- As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
- The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

**D. Benefits to the Non-resident shareholders of the Company under the Act**

(a) Dividends exempt under section 10(34) of the Act

- As per provisions of Section 10(34), dividend (both interim and final), if any, received by non-resident shareholders from the Company is exempt from tax. The Company will be liable to pay dividend distribution tax at the rate of 15% plus a surcharge of 5% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon on the total amount distributed as dividend.

(b) Capital gains

(i) Computation of capital gains

- Capital assets are to be categorized into short - term capital assets and long – term capital assets based on the period of holding. All capital assets, being shares held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long – term capital assets, capital gains arising from the transfer of which are termed as LTCG. In respect of any other capital assets, the holding period should exceed thirty – six months to be considered as long – term capital assets.

- STCG means capital gain arising from the transfer of capital asset being a share held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds, held by an assessee for 12 months or less.
- In respect of any other capital assets, STCG means capital gain arising from the transfer of an asset, held by an assessee for 36 months or less.

LTCG arising on transfer of equity shares of a company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)) is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to STT and subject to conditions specified in that section.

- The Finance Act 2012 has amended the chapter of Securities Transaction Tax [Chapter VII of Finance Act (No 2) of 2004]. As per the amendment, sale of unlisted equity shares under an offer for sale to the public which are included in an initial public offer and where such shares are subsequently listed on a recognized stock exchange, the same would be covered within the ambit of taxable securities transaction under the said Chapter. Accordingly, STT is leviable on sale of shares under an offer for sale to the public in an initial public offer and the LTCG arising on transfer of such shares would be exempt from tax as per provisions of Section 10(38) of the Act.
- As per provisions of Section 112 of the Act, LTCG arising on transfer of listed securities not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. The indexation benefits are however not available in case the shares are acquired in foreign currency. In such a case, the capital gains shall be computed in the manner prescribed under the first proviso to Section 48. As per first proviso to Section 48 of the Act, where the shares have been purchased in foreign currency by a non-resident, the capital gains arising on its transfer need to be computed by converting the cost of acquisition, expenditure incurred in connection with such transfer and full value of the consideration received or accruing as a result of the transfer, into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be at the prescribed rates prevailing on dates stipulated. If the tax payable on transfer of listed securities exceeds 10% of the LTCG, the excess tax shall be ignored for the purpose of computing tax payable by the assessee.
- Further, LTCG arising from transfer of unlisted securities (other than by way of offer for sale under an initial public offer) is chargeable to tax at 10% without indexation and foreign exchange fluctuation benefits.
- As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.
- STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D)), where such transaction is not chargeable to STT is taxable at the normal rates of taxation as applicable to the taxpayer.
- The Finance Bill 2013 proposes that any income arising to shareholders on account of buy-back of shares as referred to in Section 115QA of the Act (buy-back of shares by unlisted companies) shall be exempt in the hands of the shareholders.
- The tax rates mentioned above stands increased by surcharge, payable at the rate of 2% where the taxable income of a foreign company exceeds Rs 10,000,000. The Finance Bill 2013 proposes levy of surcharge as follows:

- In case of a foreign company whose income exceeds Rs 100,000,000, the rate of surcharge shall increase from 2% to 5%
  - In case of other non-residents, whose income exceeds Rs 10,000,000 surcharge shall be payable at 10%.
  - Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable by all categories of taxpayers.
  - As per provisions of Section 71 read with Section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent 8 assessment years.
  - As per provisions of Section 71 read with Section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent 8 assessment years.
- (ii) Exemption of capital gains arising from income – tax
- As per Section 54EC of the Act, capital gains arising from the transfer of a long term capital asset are exempt from capital gains tax if such capital gains are invested within a period of 6 months after the date of such transfer in specified bonds issued by NHAI and REC and subject to the conditions specified therein:
  - Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs 5,000,000 per assessee during any financial year.
  - Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.
  - As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
  - The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.
  - In addition to the same, some benefits are also available to a non- resident shareholder being an individual or HUF.
  - As per provisions of Section 54F of the Act, LTCG arising from transfer of shares is exempt from tax if the net consideration from such transfer is utilized within a period of one year before, or two years after the date of transfer, for purchase of a new residential house, or for construction of residential house within three years from the date of transfer and subject to conditions and to the extent specified therein.
  - As per provisions of Section 56(2)(vii) of the Act and subject to exception provided in second proviso therein, where an individual or HUF receives shares and securities without consideration or for a consideration which is less than the aggregate fair market value of the shares and securities by an amount exceeding fifty thousand rupees, the excess of fair market value of such shares and securities over the said consideration is chargeable to tax under the head 'income from other sources'. However, the said section is not applicable in case the shares and securities are received under instances specified under the proviso thereon.

(c) Tax Treaty benefits

- As per provisions of Section 90(2) of the Act, non-resident shareholders can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the non-resident shareholder, whichever is more beneficial. It needs to be noted that a non-resident is required to hold a valid tax residency certificate containing the particulars prescribed under Notification No S.O.2188(E) dated 17 September 2012 issued by the Central Board of Direct Taxes in order to claim benefits under the applicable tax treaty.

(d) Taxation of Non-resident Indians

- Special provisions in case of Non-Resident Indian ('NRI') in respect of income / LTCG from specified foreign exchange assets under Chapter XII-A of the Act are as follows:
- NRI means a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India.
- Specified foreign exchange assets include shares of an Indian company which are acquired / purchased / subscribed by NRI in convertible foreign exchange.
- As per provisions of Section 115E of the Act, LTCG arising to a NRI from transfer of specified foreign exchange assets is taxable at the rate of 10% (plus education cess and secondary & higher education cess of 2% and 1% respectively). Further, the Finance Bill 2013 proposes to levy a surcharge of 10% in case income of the NRI exceeds Rs 10,000,000.
- As per provisions of Section 115E of the Act, income (other than dividend which is exempt under Section 10(34)) from investments and LTCG (other than gain exempt under Section 10(38)) from assets (other than specified foreign exchange assets) arising to a NRI is taxable at the rate of 20% (education cess and secondary & higher education cess of 2% and 1% respectively). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act. Further, the Finance Bill 2013 proposes to levy a surcharge of 10% in case income of the NRI exceeds Rs 10,000,000.
- As per provisions of Section 115F of the Act, LTCG arising to a NRI on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is invested in the specified assets or savings certificates within six months from the date of such transfer, subject to the extent and conditions specified in that section.
- As per provisions of Section 115G of the Act, where the total income of a NRI consists only of income / LTCG from such foreign exchange asset / specified asset and tax thereon has been deducted at source in accordance with the Act, the NRI is not required to file a return of income.
- As per provisions of Section 115H of the Act, where a person who is a NRI in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he / she may furnish a declaration in writing to the assessing officer, along with his / her return of income under Section 139 of the Act for the assessment year in which he / she is first assessable as a resident, to the effect that the provisions of the Chapter XII-A shall continue to apply to him / her in relation to investment income derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.
- As per provisions of Section 115I of the Act, a NRI can opt not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing return of income for that assessment year under Section 139 of the Act, declaring therein that the provisions of the chapter shall not apply for that assessment year. In such a situation, the other provisions of the Act shall be applicable while determining the taxable income and tax liability arising thereon.

- The Finance Bill 2013 proposes that any income arising to shareholders on account of buy-back of shares as referred to in Section 115QA of the Act (buy-back of shares by unlisted companies) shall be exempt in the hands of the shareholders.

**E. Benefits available to Foreign Institutional Investors ('FIIs') under the Act**

(a) Dividends exempt under section 10(34) of the Act

As per provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by a shareholder from a domestic Company is exempt from tax. The domestic Company will be liable to pay dividend distribution tax at the rate of 15% plus a surcharge of 5% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon on the total amount distributed as dividend. The Finance Bill 2013 proposes to increase the rate of surcharge to 10%.

(b) Long – term capital gains exempt under section 10(38) of the Act

- LTCG arising on sale equity shares of a company subjected to STT is exempt from tax as per provisions of Section 10(38) of the Act.
- It is pertinent to note that as per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

(c) Capital gains

- As per provisions of Section 115AD of the Act, income (other than income by way of dividends referred to Section 115-O) received in respect of securities (other than units referred to in Section 115AB) is taxable at the rate of 20% (plus applicable surcharge and education cess and secondary & higher education cess). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act.
- As per provisions of Section 115AD of the Act, capital gains arising from transfer of securities is taxable as follows:

Nature of income	Rate of tax (%)
LTCG on sale of equity shares not subjected to STT	10
STCG on sale of equity shares subjected to STT	15
STCG on sale of equity shares not subjected to STT	30

- For corporate FIIs, the tax rates mentioned above stands increased by surcharge, payable at the rate of 5% where the taxable income exceeds Rs 100,000,000. Further, education cess and secondary and higher education cess on the total income at the rate of 2% and 1% respectively is payable by all categories of FIIs.
- The benefit of exemption under Section 54EC of the Act mentioned above in case of the Company is also available to FIIs.
- The Finance Bill 2013 proposes that any income arising to shareholders on account of buy-back of shares as referred to in Section 115QA of the Act (buy-back of shares by unlisted companies) shall be exempt in the hands of the shareholders.

(d) Securities Transaction Tax

- As per provisions of Section 36(1)(xv) of the Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from

such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

(e) Tax Treaty benefits

- As per provisions of Section 90(2) of the Act, FIIs can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the FII, whichever is more beneficial. It needs to be noted that a non-resident is required to hold a valid tax residency certificate containing the particulars prescribed under Notification No S.O.2188(E) dated 17 September 2012 issued by the Central Board of Direct Taxes in order to claim benefits under the applicable tax treaty.
- The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

**F. Benefits available to Mutual Funds under the Act**

(a) Dividend income

Dividend income, if any, received by the shareholders from the investment of mutual funds in shares of a domestic Company will be exempt from tax under section 10(34) read with section 115O of the Act.

- (b) As per provisions of Section 10(23D) of the Act, any income of mutual funds registered under the Securities and Exchange Board of India, Act, 1992 or Regulations made there under, mutual funds set up by public sector banks or public financial institutions and mutual funds authorized by the Reserve Bank of India, is exempt from income-tax, subject to the prescribed conditions.

**G. Wealth Tax Act, 1957**

- Wealth tax is chargeable on prescribed assets. As per provisions of Section 2(m) of the Wealth Tax Act, 1957, the Company is entitled to reduce debts owed in relation to the assets which are chargeable to wealth tax while determining the net taxable wealth.
- Shares in a company, held by a shareholder are not treated as an asset within the meaning of Section 2(ea) of the Wealth Tax Act, 1957 and hence, wealth tax is not applicable on shares held in a company.

**H. Gift Tax Act, 1958**

- Gift tax is not leviable in respect of any gifts made on or after October 1, 1998.

**Note:**

- All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.

## SECTION IV: ABOUT THE COMPANY

### INDUSTRY OVERVIEW

*The information in this section is derived from reports of various governmental agencies, market research reports and other publicly available sources. This includes the information available on the websites of, in the reports or adapted from the reports of and/or from the databases of, United States Central Intelligence Agency “World Factbook” (the “CIA Factbook”); the Economist Intelligence Unit (“EIU”); the Central Statistical Organisation, Government of India (“CSO”); the Ministry of Statistics and Programme Implementation (“MOSPI”); McKinsey & Company “The ‘Bird of Gold’: The Rise of India’s Consumer Market,” May 2007 (the “McKinsey Report”); the Ministry of Micro, Small and Medium Enterprises, Government of India (the “Ministry of MSME”), Annual Report 2012; the Telecom Regulatory Authority of India (“TRAI”); and Netscribes (India) Pvt. Ltd. (“Netscribes”), Reports “Local Search Market -India”, May 2012, “Online and Offline Classifieds - India”, May 2012 and “Online Advertising Market - India, May 2012 (the “Netscribes Reports”) and Internet World Stats statistics available at <http://www.internetworldstats.com>. Neither we nor any other person connected with the Issue has verified this information. Industry reports and publications generally state that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and investment decisions should not be based on such information. Accordingly, prospective investors are advised not to unduly rely on the information in this section when making their investment decisions.*

*We commissioned the Netscribes Reports for the purposes of confirming our understanding of the industry in connection with the Issue. Neither we nor any other person connected with the Issue has verified the information in the Netscribes Reports. Netscribes has advised that: The reports are published for general information only, and although high standards have been used in the preparation, Research on India and Netscribes is not responsible for any loss or damage arising from use of these documents. Prospective investors are advised not to unduly rely on the Netscribes Reports when making their investment decision. The Netscribes Reports contains estimates of market conditions based on samples. This information should not be viewed as a basis for investment and references to Netscribes should not be considered Netscribes’ opinion as to the value of any security or the advisability of investing in us.*

#### **The Indian Opportunity**

India is one of the world’s most populous countries with an estimated population of approximately 1.21 billion as of July 2012, which equates to 17.2% of the world population, according to the CIA Factbook.

Over the last few years, India has also shown strong economic growth. According to MOSPI Annual Reports, the growth rate for India's gross domestic product (“GDP”) was 8.0%, 8.6% and 6.9% for 2009-2010, 2010-2011 and 2011-2012, respectively. According to the CIA Factbook, India’s GDP, on a purchasing power parity basis was estimated to be approximately \$4.8 trillion in 2012, making it the fourth largest economy in the world after the United States (\$15.7 trillion), the European Union (\$15.6 trillion) and China (\$12.4 trillion). Economic liberalization in India, which began in 1991, led to reduced controls on foreign trade and investment which accelerated the country’s GDP growth, which has averaged more than 6.5% annually since 1997. According to the CIA Factbook, in 2010, the Indian economy rebounded robustly from the global financial crisis largely on the back of strong domestic demand, and grew at over 8% year-on-year. However, GDP growth slowed down to 6.5% in 2012.

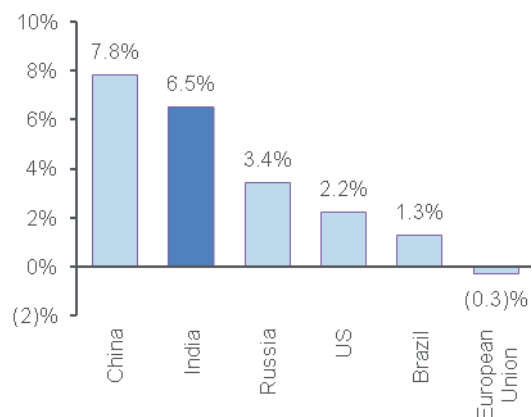
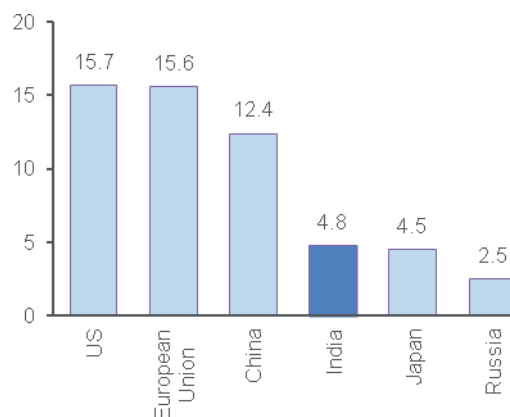
#### **India: 4<sup>th</sup> Largest Economy Globally**

**GDP at Purchasing Power Parity (US\$ Tn)**

#### **India: 4<sup>th</sup> Largest Economy Globally**

**GDP Growth – 2012 Estimates**





Source: CIA World Factbook

### **Favourable Demographics in India**

Economic liberalization in India, which began in 1991, transformed Indian demographics through rising income levels and changing consumption patterns. According to the McKinsey Report, the country's income pyramid is expected to change, with India's middle class (India's middle class is defined as households with annual income of between ₹ 200,000 to ₹ 1,000,000) expected to grow by over ten times to 583 million people by 2025. According to the 2011 Census Report, India has 734 towns and cities with a population higher than 45,000 people. With a growing population, the creation of a large middle class and rising incomes, the McKinsey Report projects discretionary spending to increase from 50.0% of India's average household consumption to approximately 70% by 2025.

The McKinsey Report suggests that if India continues on its current high growth path, the Indian consumer market will undergo a major transformation during the period from 2005 to 2025, which is expected to result in, among other things, the following: income levels are expected to almost triple, with annual real income growth per household expected to accelerate from 2.8% over the past two decades to 3.6% over the next two; India is expected to become the world's fifth largest consumer market by 2025; and consumption is expected to increase by 7.3% annually over the next 20 years to reach more than ₹ 69.5 trillion, or \$1.5 trillion, by 2025.

According to the McKinsey Report, some of the key reasons for the growth of India's consumer markets are population growth with favourable demographics, rising income levels, dramatic change in the country's income pyramid, increasing consumption and increased discretionary spending, including rapid growth in communications spending.

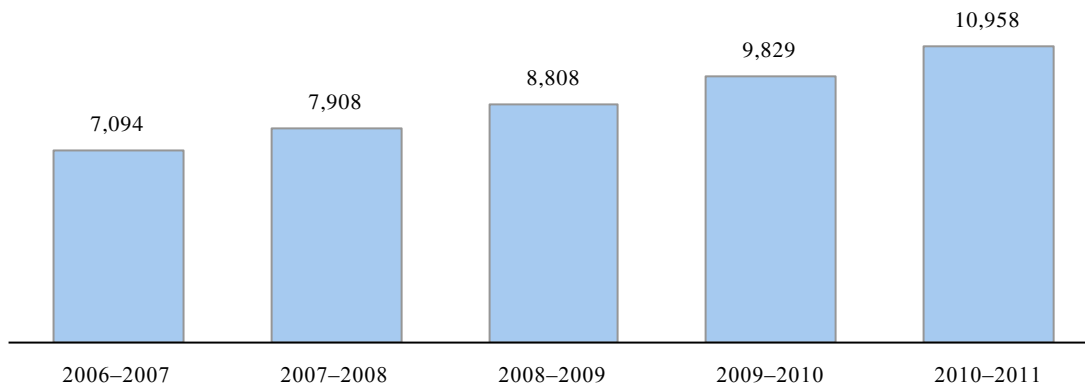
### **Small and Medium Enterprises (SMEs) in India**

Small and medium enterprises contribute to the economic development of India through industrial production, exports and employment generation. The socio-economic policies adopted by India since the Industries (Development and Regulation) Act 1951 have focus on promotion and development of SMEs. The Ministry of MSME is the governing body at the national level and designs policies, programmes, projects and schemes and monitors their implementation with a view to assist SMEs.

The Ministry of MSME estimates that, in terms of value, the SME industry accounts for about 45% of India's manufacturing output and 40% of the total exports of the country. According to the Ministry of MSME, the industry is estimated to employ about 73.2 million people in over 31.2 million units throughout the country. Further, according to the Ministry of MSME, this sector has consistently registered a higher growth rate than the rest of the industrial sector.

According to the Ministry of MSME Annual Report 2012, MSME's production in terms of gross output has been growing steadily from ₹ 7,094 billion in 2006 - 2007 to ₹ 10,958 billion in 2010 - 2011, representing a CAGR of 11.5%.

### MSME Production in Terms of Gross Output (INR Billion)

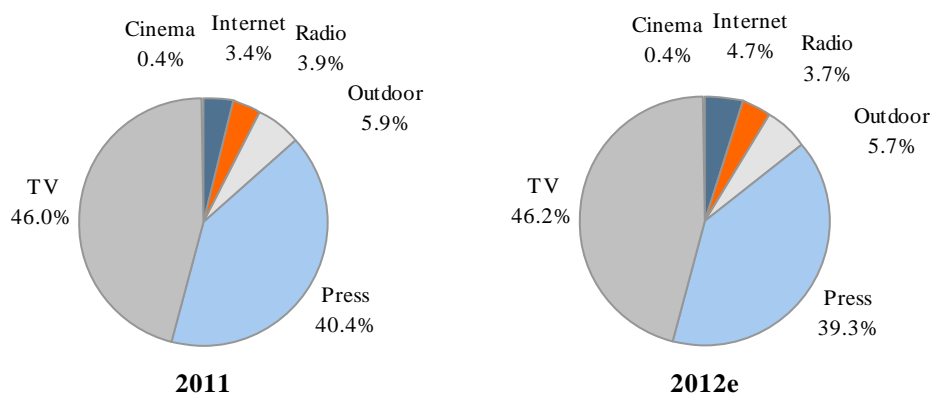


Source: Ministry of MSME Annual Report 2012

### The Indian Advertising Market

According to the Netscribes' Report: "Online Advertising Market - India, May 2012", the Indian advertising market generated approximately ₹ 255.9 billion in 2011 and is expected to grow to ₹ 369.5 billion by 2015, a growth rate of 9.6%. Currently advertising through television represents the largest segment of the Indian advertising market with a 46.0% share of the overall market, following by print advertising with a 40.4% share of the overall market. Outdoor advertising comprises about 5.9% of the market, radio advertising about 3.9% and internet about 3.4%. Of all the segments of the advertising market, the internet advertising segment is expected to be the fastest growing segment with an expected growth rate of about 51% between 2011 and 2012.

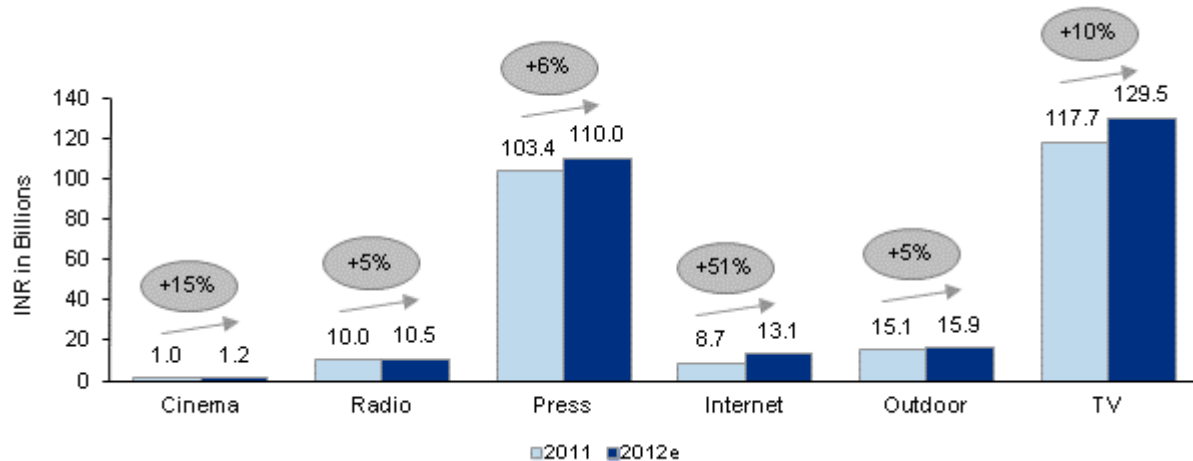
### Trend of Advertising Revenues



Source: Netscribes.

### Segment Growth Rates

#### Classifieds Market Size (INR Billion) and Growth



Source: Netscribes.

### Online Advertising

All information in this section is derived from the Netscribes' Report: "*Online Advertising Market - India, May 2012*".

Among the various means of advertising, internet advertising is expected to exhibit the fastest growth of 51% between 2011 and 2012. This is due to the growing penetration of internet among individuals and emergence of fast technology oriented online mediums that are driving the interests of end consumers, as well as the rising usage of internet on mobile phones.

The online medium promotes various metric systems of cost models, allowing the advertisers to optimize their return on investment. Online advertisement is cost effective and lower priced as compared to TV, radio or print. In addition, online advertising is an efficient and effective sales medium that enables advertisers to provide intricate details, features and specifications that allow them to strategically target a set of desired consumers. The number of responses can be measured, which allows the advertiser to measure the return on investment and strategize better for future campaigns. Amongst all media, online medium also has the easiest global reach for targeting a global audience. It also has the flexibility in terms of the inventory volume, advertisement type and unparalleled targeted advertising options. Online advertising also allows the advertisers to directly engage with current and potential customers for real time engagement, awareness, feedback and lead generation.

The growth in online advertisement is driven by several factors, including the growing internet base in India, coupled with options including mobile internet, and the growing trend of social media networking platform. Apart from the domestic market, online advertisement is an effective medium to target expatriate Indians who, number more than 30.0 million and, browse Indian content regularly. However, online advertising also faces certain challenges, such as the lack of trust due in part to misleading or incomprehensive information and the prerequisite of literacy.

### Local Indian Search Market

All information in this section is derived from the Netscribes' Report: "*Local Search Market - India, May 2012*".

According to Netscribes, the local search market generally comprises offline and online search services. Offline local search services primarily includes print directory and phone based searches, where the chief source of revenue is advertisement fees paid by the business entities. Online local search involves the use of localized portals that allow users to search for geographically constrained results from a database of local listings. Major players have multi-channel access including phone, web and mobile portals, and advertising is the main source of revenue.

The local search market has evolved from word of mouth and print directories as a mode of getting local

information to professional phone, web-based and voiced-based and mobile phone search services.

For online search services, listing may be free or sponsored. Sponsored results get greater visibility as they are highlighted and are given preference over the other listings. Other revenue sources include database sharing or syndication by sourcing for listing or powering search results, partnering with global search engines or selling contact details of users to businesses for marketing activities. For offline search services, players come out with printed copies of local directories or operate phone-based services to respond to queries over the phone. The major source of revenue is the advertisement fee paid by the advertisers.

Due to consumers becoming more receptive towards phone based searches, the offline search services market has expanded. With the proliferation of technology and advancement in the current market scenario, consumers are driven more towards saving time and effort. Most leading players have call centres which provide instant response to consumer queries. The key driver for online search services is the proliferation of internet, including mobile internet, and the growing number of users in India. Consumers find it convenient to conduct search on the internet for any services or product required, especially with the reduction in price of access devices, launch of 3G network and innovative data plans that facilitate the use of internet on mobile internet. Local online search services help provide better visibility to small and local business owners by providing a scope to market and publicize their products and services and to reach a larger audience in a cost effective manner compared to traditional advertising media like TV and newspapers.

However, local offline search services face challenges such as lower acceptance in corporate culture and global drive towards a paperless environment. Local online search services are limited by generic search engines, the lack of awareness, low English literacy rate and language barriers and insufficient information and the lack of comprehensive databases.

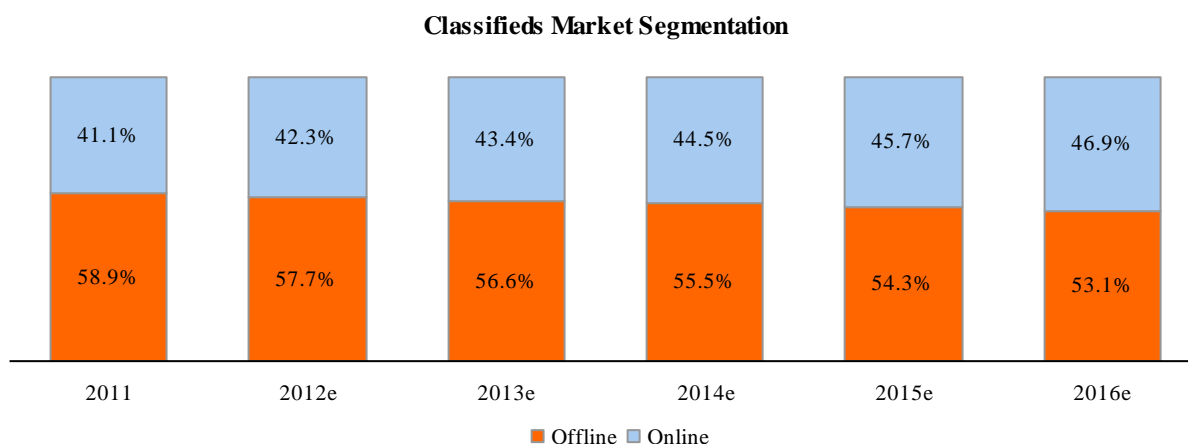
The players in the local search services market include Justdial, AskLaila, Burrp, Getit, Infomedia18, Metromela, Onyomo, Sulekha and Timescity. Many of these players provide both offline and online local search services.

#### *Local offline and online classifieds*

All information in this section is derived from the Netscribes' Report: "Online and Offline Classifieds - India May 2012".

According to Netscribes, classifieds is a distinct type of advertising medium with both offline and online modes that usually comprises text with no graphics and short statements about the requirements of the buyer or the seller. It is becoming an increasingly popular mode of advertising. In 2011, the market segment for offline and online classifieds was 58.9% and 41.1%, respectively. With growing internet usage, the online classifieds segment is growing rapidly. It is estimated that the market segment will become 53.1% and 46.9%, respectively, by 2016.

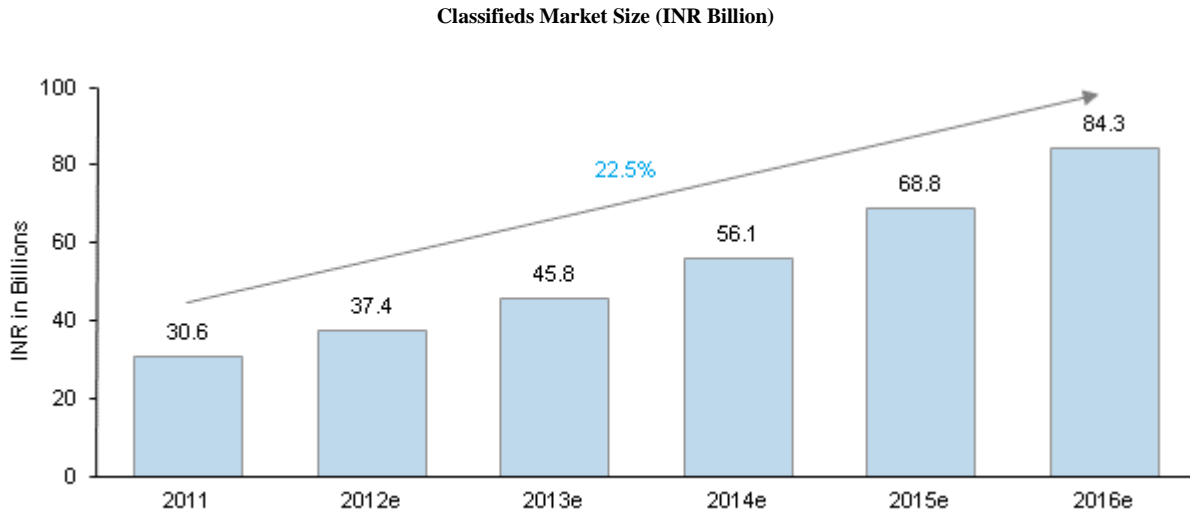
#### **Classifieds Market Segmentation**



Source: Netscribes.

It is expected that the classifieds market in India will be driven by the growth in services sector, favourable demographics and growth in the advertising industry. The size of the classifieds market has grown from ₹ 30.6 billion in 2011 and is expected to reach ₹ 84.3 billion in 2016.

### Classifieds Market Size and Growth



Source: Netscribes.

Offline classifieds comprises of print media, while online classifieds comprises of horizontal or general / multipurpose classifieds website or vertical sites in jobs, real estate and matrimonial websites. Both the offline and online markets are growing on account of increasing penetration of print media and the internet. For offline classifieds, generally various types of classified advertisers and newspaper publishing houses come together to offer classified advertisements through the print media, with a revenue structure that is primarily determined by various factors associated directly with the costs of the classified advertisements. For online classifieds, advertisers are generally required to register with the respective portal and pay membership fees upfront to become a registered subscriber, with major sources of revenue generated from paid subscriptions, paid memberships, paid listings, leads generated, brokerage charges and database access.

Offline classifieds market has grown consistently over the last few years and will grow further due to increasing print penetration, especially in tier two and tier three cities. The growth of the offline classifieds market is also driven by the presence of newspapers in various vernacular languages as it provides a huge scope to cater to a large section of the population. In addition, growing readership base of newspapers in India, due to growing literacy and new technologies, will contribute to the growth of offline classifieds. The online classifieds market has grown due to increasing market penetration as consumers are increasingly using online classifieds as it is more convenient. In addition, online classifieds are more cost effective as they can obtain more exposure than through traditional print media. The online classifieds market is also driven by the strong growth in online advertising which is expected to increase from ₹ 18.5 billion in 2011 to ₹ 69.1 billion in 2015. Generally, the classifieds market is expected to grow due to the favourable demographics of India; it is the second most populous country worldwide with one of the largest young populations, which equates to a large demand for classifieds services. In addition, growth in the services sector acts as a driver, as it has opened up a large number of job opportunities and increased the disposable income in India, and consequently, increased the advertisements by, among others, job recruiters, automobile and real estate sectors.

Offline classifieds face challenges such as the lesser space for advertisements, especially display advertisements, becoming a major bottleneck as it restricts the scope of advertisement exposure, unlike online classifieds which offers various advertising forms, such as listings, banners, featured advertisements, home page panels and micro sites. The low visibility and coverage of offline classifieds also restricts the growth of its market, as they are

contained only in a segment of the print media and are limited to the distribution area.

The low presence of vernacular languages in online classifieds medium poses a barrier for the online classifieds market and restricts the market, as non-familiarity with English may alienate people from using online media and choose print media instead. The absence of strong online payment mechanism also hinders the growth of the online classifieds market, with low credit card penetration rates and phishing scams and fraudulent methods discouraging the use of online payment modes.

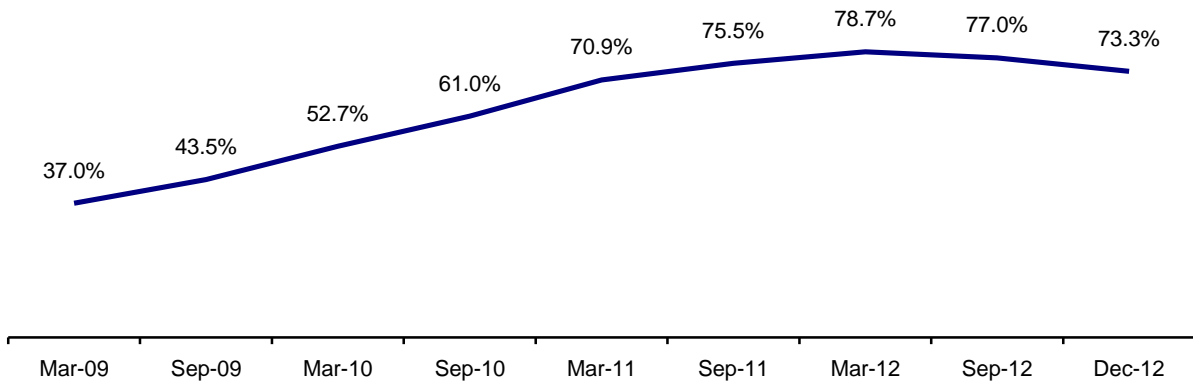
**Mobile Ubiquity and Internet Penetration Changing Source of Information/Media**

The growth of the advertising sector and search services in India is also due in part to the growing use of mobile internet in India. According to TRAI, the total number of wireless and wireline subscribers in India was 895.5 million as of December 31, 2012, with an overall teledensity rate of 73.3%.

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**Overall (Wireless and Wireline) Teledensity in India**

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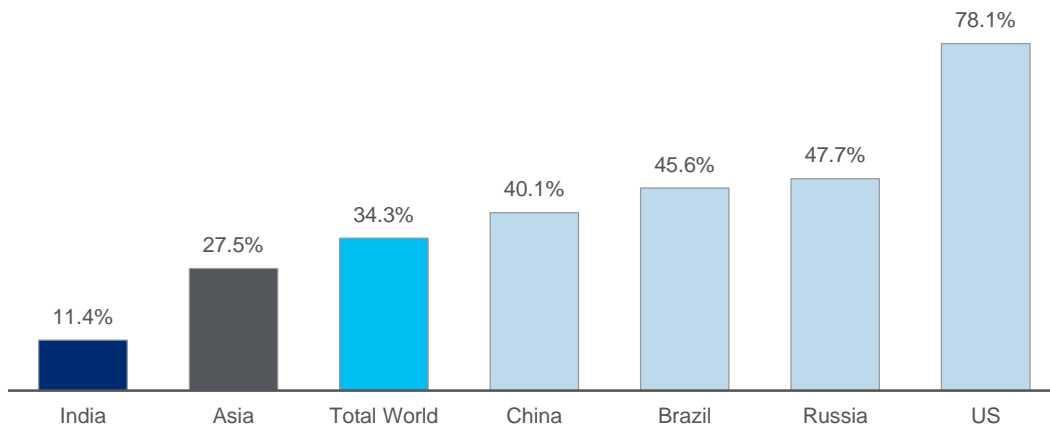
Source: TRAI

**Expansion of Internet Access in India**

As described above, the growth of the online advertising sector and search services in India is due in part to the growing internet base in India. The Indian internet market is still in its nascent stage and has a high potential to expand rapidly. According to Internet World Stats, as of June 30, 2012, Internet penetration was at 11.4% in India, compared to over 78.1% in the United States. There were approximately 137 million Internet users in India, making it the third largest population of Internet users after China and the United States. Below table shows the Internet penetration as of June 30, 2012 for various countries and regions:

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**Internet Penetration (June 30, 2012)**



Source: Internet World Stats.

The internet market in India as of June 2012 had a similar number of Internet users to the United States in 2000, but with much lower Internet penetration. The table below provides a comparison of the Internet markets in India in June 2012 to the United States in 2000 and China in 2004:

	<b>USA (2000)</b>	<b>China (2004)</b>	<b>India (June 2012)</b>
Internet Users	124 million	94 million	137 million
Internet Penetration	44.0%	7.0%	11.4%

## OUR BUSINESS

*Unless otherwise stated, the financial information of our Company used in this section has been derived from the Restated Summary Statements*

### OVERVIEW

We believe that we are one of the leading local search engines in India. We provide users of our “Just Dial” search service with information and user reviews from our database of local businesses, products and services across India. Our search service is available to users through multiple platforms: Internet, mobile Internet, telephone (voice) and text (SMS). In fiscal 2012, we addressed over 254.3 million search requests across our platforms. As of December 31, 2012, we were conducting approximately 195,100 campaigns for our paid advertisers.

As one of the first companies to offer local search services in India, we believe that we have a first mover advantage among consumers seeking information on local businesses. We aim to provide fast, free, reliable and comprehensive information to our users, which we believe will create a network effect to attract more search queries. We also believe that we have established Just Dial as a well known Indian brand on the Internet. In addition, through our easy to remember phone numbers and user friendly mobile phone interface, we believe that we have been able to attain significant mind-share with users for their local search needs.

As adapted from a report by McKinsey & Company, India’s middle class, generally comprising people with annual income range of ₹ 200,000 to ₹ 1,000,000, is expected to grow by over 10 times to approximately 583 million people by 2025. According to Internet World Stats, as of June 30, 2012, Internet penetration was at 11.4% in India, compared to over 78.1% in the United States. There were approximately 137 million Internet users in India, making it the third largest population of Internet users after China and the United States. According to TRAI, the number of mobile subscribers in India is expected to exceed 1,000 million by 2014. With the growth projected for India’s middle class and for Internet and mobile usage in India, we believe our potential user base remains largely untapped and offers significant potential for growth.

We believe our search service bridges the gap between our users and businesses by helping users find relevant providers of products and services quickly while helping businesses listed in our database to market their offerings. We also believe that our search service is particularly relevant to SMEs, which we believe, currently, do not have many other cost effective options to access and advertise to such a large number of potential consumers.

Listing on our search service provides businesses with exposure to users at a time when the users are making a purchase decision. Businesses may choose to pay for a listing to be featured on a priority basis in our search results, which we call a ‘campaign’. We call businesses that pay for this service ‘paid advertisers’. Many of our paid advertisers conduct multiple campaigns at any given time. Paid advertisers have the flexibility to choose different levels of priority in the search results for different geographic areas and products and services. The number of campaigns increased from approximately 40,500 as of March 31, 2009 to approximately 195,100 as of December 31, 2012.

We have a large database of approximately 9.1 million listings as of March 31, 2013. We believe that by providing fast and free access to our database, we provide a compelling user experience that will create a network effect and attract a large number of users who search for information to Just Dial. These large number of users will, in turn, prompt more businesses to pay for listings and become paid advertisers in order to be featured in our search results on a priority basis.

Our consolidated total revenue from continuing operations increased from ₹ 716.0 million in fiscal 2008 to ₹ 2,770.2 million in fiscal 2012, representing a CAGR of 40.2%. Our consolidated total revenue from continuing operations increased in fiscal 2012 by 47.6% over fiscal 2011. Our consolidated restated profits after tax from continuing operations increased from ₹ 17.1 million in fiscal 2008 to ₹ 522.8 million in fiscal 2012, representing a CAGR of 135.1%. Our consolidated restated profits after tax from continuing operations increased in fiscal 2012 by 81.4% over fiscal 2011. In the nine months period ended December 31, 2012, our unconsolidated total revenue was ₹ 2,716.1 million and our unconsolidated restated profits after tax from continuing operations was ₹ 470.8 million as per the restated unconsolidated summary statements.



## **OUR COMPETITIVE STRENGTHS**

We believe that we are one of the leading local search engines in India, which belief is attributable to the following competitive strengths:

### **First Mover Advantage in the Indian Local Search Market**

As one of the first companies to offer comprehensive local search services in India, we believe that we have a first mover advantage among consumers seeking information on local businesses. We started offering our local search services in 1996 under the Just Dial brand, and launched our Internet and mobile Internet services in 2007. We aim to provide fast and free access to our large database, which will attract more search queries, which in turn will attract more paid business listings. We believe this creates a self-perpetuating growth cycle that enables us to maintain a position as one of the leading local search engines in India. We believe that a large database of local business listings, such as the one we have developed over several years, requires considerable time and effort to develop, which creates a significant barrier to entry.

### **Strong Brand Recognition**

We believe we have a very strong brand recall in India as evidenced by the 254.3 million searches of our database that were conducted in fiscal 2012 even though historically our brand development has been fuelled primarily through word of mouth by users based on their experience with our service and such users sharing their experiences with others. We believe that the following key factors, among other things, have contributed to the strength of our brand in India:

- Long standing presence in the local search market,
- Strength and quality of our database,
- Fast response to search queries, and
- Consistent delivery of quality user experience.

### **Offer Attractive Value Proposition for SMEs**

We believe that most of the business listings in our database are SMEs, which is the segment of businesses where we focus most of our attention and marketing efforts. We believe that virtually all of the approximately 195,100 campaigns we conducted as of December 31, 2012, were conducted on behalf of paid advertisers, with the majority being SMEs. As of March 31, 2013, our database had approximately 9.1 million business listings across various cities and towns in India, as compared to 7.2 million business listings as of March 31, 2012.

*Cost-effective platform.* We believe that it is a challenge for most SMEs to attract the attention of the right target consumer and to expand into new markets because of their limited marketing budgets and resources. We believe our service facilitates a cost-effective mode of consumer targeting for such SMEs, which otherwise may not be as feasible for them. For example, details of an SME which does not have a website can be available to potential consumers online when the SME is listed in our database.

*Personalized service.* Through our data collection team canvassing the local markets, we establish direct relationships with many of these SMEs. Once we identify our potential advertisers, our marketing executives meet with these SMEs to explain the ease and benefits of advertising with us and to convert business listings into paid listings. Our direct and personal relationships with SMEs are one of the ways we differentiate ourselves from international search engines which operate in India largely on a virtual basis.

*Access to relevant users.* Listing on our search service provides businesses with exposure to users at a time when the users are making a purchase decision.

## **Experience and Expertise in Local Indian Markets**

We have been in operation in the Indian market for approximately 16 years, and our senior management team has wide ranging experience in the search service, advertising and IT industries in India. We believe that our strong knowledge of the Indian market, first hand experience with various market participants (including SMEs and users) and the experience and expertise of our management differentiate us from other generic and local search service providers and enable us to grow in an industry that has historically been difficult to monetize. Our experience, knowledge and infrastructure enable us to establish relationships with SMEs, which we believe are not within the scope and focus of other generic search engines.

## **Multiple Platform Service on a Large Scale**

Users can access our search services and obtain search results through a number of communication media, i.e. Internet, mobile Internet, voice and SMS. We believe we are the only search services company in India that provides users with the option of performing searches and obtaining search results through multiple media on a large scale. We believe that the accessibility of our search services for users is a key attraction for SMEs to become a part of our database and run campaigns as paid advertisers.

We have a large collection of reviews and ratings by users of the businesses listed with us. Users can submit their reviews of businesses, products and services on our website or through our phone service. These reviews and ratings are regularly monitored and uploaded on our website for the benefit of potential users to enhance their search experience and enable them to make informed choices. As of March 31, 2013, approximately 23.0 million reviews and ratings were published on our website. Our multiple platform service enables us to provide reviews and ratings received by us from users on one platform to users across all our other platforms. Our “Tag your Friend” feature helps users see the reviews and ratings from their friends for various business listings, effectively creating a social network to share users’ experience. As of March 31, 2013, 7.6 million friends were “tagged” through this feature.

## **Advanced and Scalable Technology Platform**

Our award-winning technology is the key to effectively integrate the various media we use to provide our services to users, our business listing database, our paid advertisers and our information retrieval officers, or IROs.

Our technology platform is designed to enable our tele-sales executives and IROs to connect effectively to potential advertisers and users seeking information. The Red Hat Enterprise Linux platform we use powers approximately 816 servers for our various intranet and extranet applications. These applications can be accessed by thousands of our IROs from eight centres across India on a daily basis. We believe that our technology platform enables us to provide a fast, efficient and user friendly information service to our users. We believe our platform has a high level of reliability, security and scalability and has been designed to handle high transaction volumes. We have the ability to modulate our technology infrastructure to meet our operational requirements without incurring substantial costs as we use virtual infrastructure wherever possible. Our technology platform has interfaces developed such that we are able to scale up our sales and service capacity rapidly with relatively minimal additional time required for employee training. We have designed the various modules of our technology platform to support our employees at every step of their operations thereby creating a technology leveraged service model which we believe improves the efficiency of our employees.

## **Efficient and Profitable Business Model**

We believe that our business model is efficient as it promotes continuity in subscriptions and cash flows. We also believe that this is a difficult business model for our competitors to replicate due to the challenge of establishing the requisite credibility and relationship with paid advertisers for them to be willing to agree to our payment terms.

*Negligible receivables.* Our paid advertisers make payments in advance of their campaigns in our searches, which we believe significantly reduces our credit risk exposure to our customers. In addition, as a result, we had outstanding trade receivables of ₹ 4.0 million from our customers as of December 31, 2012, while our unconsolidated restated profit after tax from continuing operations was ₹ 470.8 million from a total revenue of ₹ 2,716.1 million in the nine months period ended December 31, 2012.

*No long-term debt.* We have maintained focus on capital efficiency and have grown without incurring material indebtedness. We have been consistently profitable despite growing rapidly over the past few years. As of December 31, 2012, we had no long-term borrowings (₹ 0.0), which we believe is a competitive advantage for us and a platform to grow our operations without being constrained by significant reliance on external financing sources.

## **OUR STRATEGY**

To sustain our future growth and development, we have employed and will continue to employ the following strategies:

### **Enhance our Users' Experience**

Our objective is to offer free, fast, relevant, reliable and enhanced search results to our users through various communication media.

*Fast response.* We intend to continue to invest in technology to make search algorithms more efficient and adaptable to provide our users with faster access to our database.

*Quality and presentation of database.* We intend to continue to invest in technology to provide our users with more user-friendly access to our growing business database, improve the relevance of our search results, as well as capture and relay other relevant information to our users, such as user reviews and ratings.

*Enhanced user experience.* We are constantly seeking to combine our technology and the content of our database to innovate new products and services to serve our users' needs and preferences. We have dedicated content focusing on popular activities and subjects (such as movies, restaurants and hotels) and we intend to create additional content focusing on certain sub-categories of general businesses, products and services that we believe will be popular with our users.

In order to process more advanced software applications for providing enhanced user experience, and handling increased user traffic, we continuously upgrade the hardware used by us, and develop new software from time to time.

### **Broaden and Deepen the Footprint of Our Service Across India**

While we had approximately 7.7 million listings and 9.1 million listings across various cities and towns in India as of June 30, 2012 and March 31, 2013, respectively, we believe that there is significant opportunity to further deepen our presence in our 11 largest cities, increase our search services beyond our 11 largest cities and to increase the proportionate share of paid advertisers listed in our database and increase user traffic. Among other things, we plan to add new premises and leverage our reseller program to achieve the foregoing.

### **Invest in Further Strengthening Our Brand**

While we believe we are already one of the most popular digital brands in India, we also believe that investment in brand building campaign will help us further strengthen our brand and lead to greater search volume from our users and greater number of paid advertisers. Historically, our Company's brand development has primarily been fuelled through word of mouth by users based on their experience with our service and such users sharing their experiences with others. We believe that the quality of our service and our consistent focus on enhancing user experience has contributed to our Company's brand development with relatively low advertising expenditure.

We believe that increasing the awareness of our brand and services across India further would require online and offline (such as television and outdoor advertisements) direct marketing efforts and brand building strategies. We intend to bring high quality advertisements on popular national television channels in India. We signed up Amitabh Bachchan, a well known celebrity, as our brand ambassador for a period of three years from December 28, 2010.

While we will continue to increase our promotional and marketing activities to help us educate potential users and advertisers on the benefits and various features of our search services, we believe that the quality of our user

experience and our database is the best means to strengthen our brand.

### **Expand and Enhance our SME Relationships**

We intend to offer our existing membership packages for listing across more areas in India, and to more categories of businesses and to create additional specialized membership packages for SME categories which witness high user interest. We also intend to further develop dedicated category portals to attract SMEs in particular businesses.

Furthermore, we intend to leverage on our direct relationships with SMEs to educate and explain to them the ease and benefits of running campaigns and advertising with us, with a view to converting their business listings into paid listings and to upgrade the membership packages of our existing paid advertisers.

### **Develop New Products and Services**

We believe that our Just Dial brand, user activity on our platforms, our SME relationships and our experience with data analytics can be leveraged to expand our business by offering new products and services. New products and services that we introduced in fiscal 2012, or which are currently under development, include the following:

*Mobile apps.* We intend to keep up with the latest in mobile Internet technology to provide our search services. Users can use mobile phones which have wireless application protocol, or WAP, to search our database. We also have a strategy to develop our application, or Master App, for major mobile phone operating systems. Our Master App is in use with Android mobile phones and iPhones (that was launched in April 2013). We are in the process of developing it as an application, or app, for use with Blackberry and Windows Phone 7.

*Enabling Transactions.* In collaboration with service providers and vendors, we are in the process of developing the ability for users to complete a number of bookings and purchases which are integrated in the search results from our website, mobile Internet WAP site and our Master App, including reservations at restaurants, home delivery of food (a feature already available on our website), ordering groceries, booking doctors' appointments (which will also be available through voice searches) and taxi bookings.

*Car listings.* We are exploring various areas for users to offer to sell, as well as buy, goods and services through our website, starting with cars. We are in the process of developing a car listings website in which users can research and rate car models being offered for sale, list their cars for sale and receive price quotes from vendors of both new and used cars.

*Quick Quotes.* We are in the process of developing a "Quick Quotes" product that is intended to provide prospective buyers with a price quote from multiple vendors and which will be available 24 hours a day and seven days a week. It is expected that prospective buyers will also receive real time updates of revised quotes by vendors through SMS and email. This service is expected to be available on all four of our platforms: Internet ([www.quickquotes.in](http://www.quickquotes.in)), mobile Internet ([wap.quickquotes.in](http://wap.quickquotes.in)), voice (69999999 and +91 88-8888-8888) and SMS (+91 88-8888-8888).

### **Selective Licensing to Expand Into New Geographic Markets**

In addition to broadening and deepening our presence in India, we believe that our multi-platform local search services model, which enables commerce by connecting SMEs with end-consumers, will be attractive to parties outside India. We plan to expand our operations to other markets as opportunities arise, primarily by licensing the "Just Dial" brand and selling our rights and offering service arrangements to other parties to conduct these operations as we are doing in the U.S. and Canada. See "Business – Divestment of JD USA and International Expansion".

## **OUR BUSINESS**

Just Dial is a source of information on various businesses, products and services to millions of users which we believe makes us one of the leading local search engines in India. We are committed to providing our users with a fast, free, reliable and user-friendly local search service through the following communications media: (i) the Internet; (ii) mobile Internet; (iii) live operator-assisted phone (voice) and (iv) text (SMS). We provide search for a

specific business (referred to as a “Company Search”) or for any business, product or service based on classification, geographic location or key words (referred to as a “Category Search”). As of March 31, 2013, our database contained approximately 9.1 million business listings across various cities and towns in India. We conducted approximately 195,100 campaigns as of December 31, 2012. We believe that both the businesses listed for free on our database and our paid advertisers are predominantly comprised of SMEs.

We believe that our search service provides businesses with exposure to a large pool of users at the time when the users are making a purchase decision.

We have been profitable since fiscal 2002. For the nine months period ended December 31, 2012 (on an unconsolidated basis) and fiscal 2012 (on a consolidated basis), we had restated profit after tax from continuing operations as a percentage of our total revenue from continuing operations of 17.3% and 18.9%, respectively. In addition to being profitable, we have maintained our focus on capital efficiency and grown without incurring any material indebtedness.

### **Our Long-term Growth Opportunity**

The potential for our business to grow is based on both internal and external factors. While we had approximately 171,000 campaigns and 195,100 campaigns as of March 31, 2012 and December 31, 2012, respectively, these campaigns were conducted by a relatively smaller number of paid advertisers compared to the approximately 7.7 million business listings and 9.1 million business listings in our database as of June 30, 2012 and March 31, 2013, respectively. A significant portion of our marketing effort is focused on contacting SMEs and other businesses to become paid advertisers by converting free listings into campaigns.

According to the Ministry of Micro, Small and Medium Enterprises’ Annual Report 2011-2012, there are an estimated 31.2 million SMEs operating in India.

According to TRAI, the number of mobile subscribers in India is expected to exceed 1,000 million by 2014. We believe that India’s large and growing Internet and mobile subscriber base provides a large potential for us to further grow our user base and search volumes.

According to Internet World Stats (<http://www.internetworldstats.com>), as of June 30, 2012, Internet penetration was at 11.4% in India, compared to over 78.1% in the United States. There were approximately 137 million Internet users in India, making it the third largest population of Internet users after China and the United States which we believe represents a significant scope for further penetration and growth of Internet in India.

In addition to our strategy of geographic expansion in India (see Business – Our Strategy – Broaden and Deepen the Footprint of Our Service Across India), we also believe that we can selectively license our brand name to expand internationally (see Business – Our Strategy – Selective Licensing to Expand Into New Geographic Markets).

### **Our Users**

Our search service is available to users through multiple platforms: Internet, mobile Internet, telephone (voice) and text (SMS). As we measure the use of our search service by search requests, our management also refer to search requests as ‘usage’. Our search request totals are comprised of:

- Internet searches, which is the number of visits to our website and not the number of searches per visit;
- mobile Internet visits, which is the number of visits through our mobile platform consisting of WAP and apps and not the number of searches per visit, other than for fiscal 2010 and fiscal 2011 which we calculated on the basis of mobile Internet searches and not visits;
- voice searches, which is the number of search queries received by us by telephone; in almost every case only one search query is made in a single telephone call; and
- SMS searches, which is the number of SMS search queries received by us, each of which contains a

single search query.

For the nine months period ended December 31, 2012, we received 267.2 million search requests from the users of our search services. This comprised of 133.4 million Internet searches, 28.2 million mobile Internet visits (which resulted in approximately 58.3 million mobile Internet searches), 104.8 million voice searches and 787,376 SMS searches. As of December 31, 2012, we were conducting approximately 195,100 campaigns for our paid advertisers.

In fiscal 2012, we received approximately 254.3 million search requests from the users of our search services, compared to approximately 180.7 million search requests in fiscal 2011, approximately 133.2 million search requests in fiscal 2010 and approximately 82.2 million search requests in fiscal 2009. The 254.3 million search requests in fiscal 2012 were comprised of 124.3 million Internet searches (reflecting a CAGR of 64% over the past three fiscal years), 13.6 million mobile Internet visits (which resulted in approximately 23.8 million mobile Internet searches) (reflecting a CAGR of 127% for mobile Internet searches for the past three fiscal years), 115.9 million voice searches (reflecting a CAGR of 31% over the past three fiscal years) and 586,324 SMS searches. The 180.7 million search requests in fiscal 2011 comprised of 77.2 million Internet searches, 9.6 million mobile Internet searches, 93.9 million voice searches and 19,856 SMS searches. The 133.2 million search requests in fiscal 2010 comprised of 57.1 million Internet searches, 4.7 million mobile Internet searches, 71.5 million voice searches and 36,144 SMS searches. The 82.2 million search requests in fiscal 2009 comprised of 27.9 million Internet searches, 2.0 million mobile Internet searches, 52.1 million voice searches and 81,981 SMS searches. We believe that we are able to attract new and repeat users due to the size, depth and reliability of our database on local businesses and the availability of our database to users quickly and free of charge.

In addition to information on businesses, our users can access reviews and ratings provided by other users. User ratings of businesses, products or services is an area where our paid advertisers do not receive any preference or benefit compared to businesses which have listed for free. As of March 31, 2013, users had provided approximately 23.0 million ratings to our database and 7.6 million friends were “tagged” through the “Tag your Friend” feature.

We believe that through our multiple platforms, we provide users the option to search using the medium that is most convenient to them at the time of their search. Depending on the search medium utilized, users can access search results either through our website, voice, SMS or e-mail or a combination thereof.

We continually seek to improve the quality and relevance of our search results by developing new and enhanced features in response to market trends. For example, we offer content collections which provide users with information on popular activities and subjects, such as movies, restaurants and hotels. Our “Best Deals” service is similar to a reverse auction service and allows buyers to place requests for products or services on which businesses are invited to bid by providing their quotes.

We provide Category Searches and Company Searches. Company Searches represented approximately 64% of all searches over the telephone during the nine months period ended December 31, 2012.

### **Our Advertisers**

Our revenue is predominantly generated from paid advertisers who subscribe to our fee-based campaign packages, or membership in order to be given a priority ranking in our search results. We had approximately 40,500 campaigns as of March 31, 2009, approximately 61,500 campaigns as of March 31, 2010, approximately 120,200 campaigns as of March 31, 2011, approximately 171,000 campaigns as of March 31, 2012 (reflecting a CAGR of 62% over the past three fiscal years) and approximately 195,100 campaigns as of December 31, 2012.

We offer annual and long-term automatically renewable memberships to our paid advertisers. Our annual memberships are paid in advance on a monthly or annual basis, while our long-term automatically renewable memberships are paid in advance on a monthly basis and are terminable after nine months by providing three months’ advance notice.

Our target market is principally comprised of SMEs from a range of industry sectors in various locations. We believe that it is a challenge for most SMEs to attract the attention of the right target consumers and to expand into

new markets because of their limited marketing budgets and resources. We believe our service facilitates a cost-effective mode of consumer targeting for such SMEs, which otherwise may not be as feasible for them. For example, details of an SME which does not have a website can be available to potential consumers online when the SME is listed in our database. In addition, larger corporations advertise with us in order to complement their local or national advertising campaigns and to prevent them from being overlooked by potential end-users in our search results.

When a user utilizes our services, our paid advertisers are provided with direct leads to the potential consumer which provide the paid advertisers with additional exposure.

All businesses listed with us are able to upload logos, pictures, videos and product catalogues to enhance their campaigns and effectively showcase their products and services. We generally verify the name of each business listed with us, its contact details, website (if any) as existing and correct at the time of the advertiser's signing for a campaign with us, although no assurance is made by us as to the actual products or services. We also generally confirm that the advertiser offers the products or services mentioned on the date of signing the campaign.

We use proprietary pricing algorithms to set the price range for our various membership packages.

The features of our membership packages are set out below:

#### ***Premium Advertisement Package***

Our premium advertisement package is comprised, in order of priority, of our platinum, diamond and gold membership packages. For example, when users search for listings in a given category or a specific geographic location, our platinum members are listed first in the search results followed by our diamond and gold members in the second and third place, respectively, ahead of non-premium members and free listings, on all available media.

Our premium members also enjoy the flexibility to purchase part of the inventory for a given category; that is, they may choose to purchase a fixed percentage of leads for a given category. The remaining leads are then sold to other members who wish to purchase part of the position allocated to the type of premium membership held. For example, if a diamond member purchases 10% of the inventory, it will be featured second for 10% of the searches for the category. Our diamond members are thus assured of their premium position over other types of campaigns (except platinum members) and free listings and enjoy increased access to users and potential buyers. Our premium members pay subscription fees, which vary depending on the category, geographic region and the tenure of the campaign. As of December 31, 2012, our premium memberships represented approximately 21.7% of our total memberships.

#### ***Non-Premium Advertisement Package***

In our non-premium advertisement package, when users search for listings in a given category for a specific geographic location, the listings of our non-premium advertisement package enjoy priority in the search results over free listings on all available media. The number of leads, which is the number of times the business listing is displayed or featured to users, is proportional to the price of the package and the number of members in such category; the more expensive the package, the higher the number of leads generated. Our non-premium advertisement package members currently pay annual or monthly subscription fees, which vary depending on the category, geographic region, number of leads and the tenure of the campaign.

As of December 31, 2012, our non-premium memberships represented approximately 78.3% of our total memberships. Prior to fiscal 2012, we offered lead listing advertisement packages which have now been effectively discontinued.

#### **Search Media**

For the nine months period ended December 31, 2012, we serviced 133.4 million Internet visits to our website, 58.3 million mobile Internet searches from 28.2 million mobile Internet visits to our website, 104.8 million voice searches and 787,376 SMS searches. During fiscal 2012, we serviced 124.3 million Internet visits to our website, 23.8 million mobile Internet searches from 13.6 million mobile Internet visits to our website, 115.9 million voice

searches and 586,324 SMS searches. During fiscal 2011, we serviced 77.2 million Internet visits to our website, 9.6 million mobile Internet searches, 93.9 million voice searches and 19,856 SMS searches.

We have witnessed rapid growth in usage across all our communications media, representing an increase of approximately 64%, 127%, 31% and 93% from fiscal 2009 to fiscal 2012, for Internet searches, mobile Internet searches, voice searches and SMS searches, respectively. We continually seek to innovate and upgrade our search interface, reduce our response time and expand and update our SME database to attract user traffic.

Our Internet and mobile Internet services can be accessed through <http://www.justdial.com> and <http://m.justdial.com> or <http://wap.justdial.com>, respectively. Our telephone services are accessible from approximately 250 cities and towns in India through our main hotline number 6999-9999. Our telephone services are also accessible from across India through our hotline number +91-88-8888-8888. In addition, we have eight localized numbers, such as 2888-8888 for Mumbai, and 2222-2222 for Delhi. Our universal SMS code for our services across India is +91-88-8888-8888.

### ***Internet***

In the nine months period ended December 31, 2012, and in fiscal 2012, 2011 and 2010, approximately 50%, 49%, 43% and 43%, respectively, of the total number of search requests were conducted through our Internet-based service. Our Internet-based service has consistently grown over the past years and we had approximately 360,000 visits to our website in fiscal 2007, the first year of launch; 9.8 million visits in fiscal 2008; 27.9 million visits in fiscal 2009; 57.1 million visits in fiscal 2010, 77.2 million visits in fiscal 2011, 124.3 million visits in fiscal 2012, representing a CAGR of 64% over the period from fiscal 2009 to fiscal 2012, and 133.4 million visits in the nine months period ended December 31, 2012.

As of March 31, 2013, we have an information technology and technical support team comprising of 281 employees who are focused on maintaining and upgrading our website and managing the software used internally by us. Our website, <http://www.justdial.com>, has been designed to provide a user-friendly experience to our users and is reviewed and upgraded on an ongoing basis. Launched in March 2007, our online search platform that uses English language enables our users to perform Company Searches and Category Searches. We are focused on building products and services that benefit our users and enable them to search for information quickly and easily.

Users can choose different parameters, such as a specific city or a company's name, to refine and focus their search. Our search software also provides a predictive auto-suggest feature. The auto-suggest feature anticipates users' needs by highlighting associated and other relevant products and services, which appear under the search box as queries are entered by our users. Users are provided a list of search results, which can then be accessed by clicking on the hypertext links displayed.

Search results generally include the contact details, address, contact person and may include other relevant details of the business, such as maps, directions, operating hours, logos, pictures, videos. Reviews and ratings of the businesses as posted by previous users are also available on our website. Search results can be relayed to our users by SMS and by e-mail. The cost of sending the SMS is borne by us.

We offer the following services on our website:

- *Specific Searches.* Users can search our database to search for specific listings based on location, company name and product services. We have also integrated an advanced search feature into our Internet search function to enable our users to refine and tailor their searches based on a combination of location and company's name, person's name or telephone number.
- *Popular Category Searches.* We offer quick links on our home page to directly provide enhanced search results for our most popular categories, including movies, restaurants, hotels, logistics services and emergency services.
- *Other Locations.* Our 'other locations' feature provides users with other locations or branches of the same business when a particular location is sought in a Company Search for categories such as banks, ATMs, movie theatres, restaurants and hotels. Similarly, a Category Search will show results from nearby cities



if there are no results in the searched city.

- **Best Deal:** In an initiative intended to allow our users to obtain the best price on products or services, multiple vendors compete for a user's business in a process similar to a "reverse auction" process. When a user elects to participate in a Best Deal service, we instantly provide the user and the relevant vendors listed in our database with each other's details. The vendors then contact the interested user directly in order to compete amongst themselves on price and other factors to sell the user the product or service being sought.
- **Reviews and Ratings.** Users can submit their reviews of businesses, products and services on our website or through our phone service. These reviews are regularly monitored and uploaded on our website for the benefit of potential users to enhance their search experience and enable them to make suitable choices. This also enables companies listed in the database to receive feedback on their products and services. Further, companies can acquire certificates from us to display their ratings. Users can receive search results based on the reviews and ratings received. Recently, we have added movie reviews and ratings by users on our website and mobile Internet WAP site. As of March 31, 2013, approximately 23.0 million reviews and ratings were published on our website, as compared to 7.4 million reviews and ratings published as of March 31, 2012.
- **Tag-Your-Friend.** We encourage users to share their reviews and ratings by inviting them to be part of a social search feature called "Tag-Your-Friend". This feature allows our users to leverage their own network of participating friends and acquaintances to recommend listings for them across our website and mobile Internet WAP site, including with our Master App. With this feature, users are able to see the businesses most recently rated or reviewed by their friends, and details of the experiences they had with such businesses. As of March 31, 2013, 7.6 million friends were "tagged" through this feature.
- **Logos, pictures, videos and catalogues.** All businesses listed with us can enhance their listings by uploading logos, pictures, videos and catalogues of their products and services on their search result pages.
- **Contests.** From February 4, 2012 until completion on February 25, 2013, we declared 388 winners in our 'Win an iPad2 Everyday' contest. The contest is part of our promotional activity to increase the awareness of our brand and services by rewarding our users and help us promote and highlight features of our website including "Ratings and Reviews" and "Tag Your Friend".
- **Facebook and Twitter links.** Users can connect to our Facebook and Twitter pages directly through links provided on our webpage. Users can also tweet the business listings directly from our website. This feature allows our users to publicly share the quality of our search and business information we have to their established social networking accounts. As of March 31, 2013, we had 1.5 million 'fans' on Facebook and 10,506 followers on Twitter.
- **Just Dial Events.** Users can search for upcoming events without charge on events.justdial.com. Search categories include: Arts & Crafts, Community, Dance, Food & Drinks, Lifestyle, Literary, Music, Nightlife & Parties, Sales & Exhibitions and Theatre. This service is currently available for events in eight major Indian cities: Ahmedabad, Bengaluru, Chennai, Delhi/NCR Region, Hyderabad, Kolkata, Mumbai and Pune.

### **Mobile Internet**

We received approximately 28.2 million mobile Internet visits in the nine months period ended December 31, 2012 (which resulted in approximately 58.3 million mobile Internet searches) which represented 11% of our total search requests in this period. We received approximately 13.6 million mobile Internet visits in fiscal 2012 (which resulted in approximately 23.8 million mobile Internet searches) which represented 5% of our total searches, 9.6 million mobile Internet searches in fiscal 2011 and 4.7 mobile Internet searches in fiscal 2010. The CAGR of mobile Internet searches was 127% over the period from fiscal 2009 to fiscal 2012.

Our mobile Internet products and services have been designed for our users who are on the move and need instant

access to information. Our mobile Internet search service was launched in August 2007.

Our users can enable the Internet browser on their mobile Internet enabled devices to access <http://m.justdial.com> or <http://wap.justdial.com> for similar search functions as our Internet service as described above. For our users' ease of use and navigation, our mobile Internet service is tailored so that navigation is click through driven and the search functions are user-friendly. Any charges for conducting such searches through the user's telecommunication service provider are borne by the user.

We provide multiple options to our users for using our mobile Internet services while on the go, including a version of our website optimized for mobile phones. We have developed our Master App, which is in use for Android mobile phones and iPhones (that was launched in April 2013) and are in the process of developing it as an app for BlackBerry and Windows Phone 7 operating systems. In 2012, Android apps, including our Master App, were released which are used exclusively to access our mobile Internet search service. These apps have been downloaded more than 1.1 million times as of December 31, 2012. The Mobile App includes our "Tag-Your-Friend" social search feature, in which users can review the ratings and reviews of their own network of participating friends and acquaintances.

Our mobile platform also includes many features available on our website such as user reviews and ratings, and permits the information on our website to be sent to the users' mobile phone at no cost. We offer icons for popular categories (such as movies, restaurants, hotels, ATMs, petrol stations, doctors, etc.) on the home page of our mobile Internet platform so that the user can go directly to the search results page of the desired category.

Our mobile platform permits a location-based search service called "near me" that provides search results considering the user's location, which is detected by using the GPS function included in certain mobile phones. Our Master App can then provide the user with directions to the business by using a mapping application or service on the user's mobile phone.

We intend to leverage on the introduction of third generation mobile technology and broadband wireless access services, which will further facilitate the use of mobile Internet applications in India.

### ***Voice***

We provide an operator-assisted voice local search service that is available 24 hours a day and seven days a week. Users can dial our hotline number 6999-9999 which is available from approximately 250 cities and towns in India, or +91-88-8888-8888 which is available from across India, or through eight local numbers available in certain cities.

In the nine months period ended December 31, 2012 and in fiscal 2012, approximately 39% and 46%, respectively, of our total search requests were received through our voice service, which has grown significantly in the past five years. We received approximately 104.8 million voice searches in the nine months period ended December 31, 2012. We received approximately 71.5 million voice searches in fiscal 2010, 93.9 million voice searches in fiscal 2011 and 115.9 million voice searches in fiscal 2012, representing a growth of 37.1%, 31.4%, and 23.4%, respectively, and a CAGR of 31% in total voice searches over these three fiscal years. Of the total voice searches in the nine months period ended December 31, 2012, approximately 64% were for Company Searches and 34% for Category Searches.

As of March 31, 2013, we had eight in-house call centres located in Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad, Kolkata, Mumbai, Pune. We employed 1,837 IROs as of March 31, 2013. Each of our call centres operate 24 hours a day and seven days a week. Our IROs are fluent in English and some regional languages, thereby providing language options to our users and increasing our user base. All of our IROs participate in a one-week training program before commencing work in order to understand our processes and information and technology systems to be able to provide our services to our users. Our IROs also attend periodic refresher courses to enhance their skill-set.

We believe that our training program, use of robust technology systems, advanced search algorithms and advanced IT system and infrastructure have increased the productivity of our IROs over the last four years, resulting in an increase of the average phone searches answered per hour. To maintain and increase the quality of our service, we

have process trainers and quality control teams who are entrusted to ensure that IROs provide accurate information as well as courteous and professional service to our users.

Users can dial our hotline numbers to do a Company Search or a Category Search. IROs speak with the users to ascertain their queries, which the IROs then process by conducting a live Company Search or Category Search on our database. Search results are conveyed at the option of the user during the call or immediately following the call by SMS or e-mail.

When a user calls for the first time, we ask his personal details, such as name, e-mail address, mobile number and whether by profession he or she is a business person or is in service, to be recorded in our user data. Once the users' details are recorded with us, our IROs can immediately send the search results to the user's contact details in our registry, thereby reducing our response time.

To enhance our users' experience, we have introduced user rating by telephone whereby on a random basis our users are requested to rate and review the business, product or service that was the subject of their last call request. These ratings are accumulated and featured on our website.

We have also provided telephone users with a "Best Deal" service, which is similar to a reverse auction service. Upon a user's search request for any product or service, we provide the user's details to our paid advertisers offering the desired product or service. The paid advertisers then contact the interested user directly in order to compete amongst themselves on price and other factors to sell the user the product or service being sought.

We utilize the services of various telecommunication service providers for our incoming and outgoing calls in India.

### ***SMS***

Our services using SMS have been designed for our users who are on the move and need instant access to information. Our SMS search service was launched in November 2007, and is available on most major telecommunication networks in India.

Our SMS search services operate in a manner similar to our voice service, except that users search for information by sending a text message containing their queries to +91-88-8888-8888 instead of calling our hotline number. A text message containing the search result is typically sent to the user instantly. Relevant charges by the various telecommunications service providers apply to these services, but we do not charge users for SMS searches. We received 787,376 SMS searches in the nine months period ended December 31, 2012, compared to 586,324 SMS searches in fiscal 2012, 19,856 SMS searches in fiscal 2011 and 36,144 SMS searches in fiscal 2010 representing 0.3%, 0.2%, 0.01%, and 0.03% of our total search requests, respectively.

### **Our Database**

We maintain, develop and regularly update our database of information on businesses, the core of which are SMEs, in India. As of March 31, 2013, our database had approximately 9.1 million business listings from various cities and towns in India.

Our business is highly dependent on a reliable and extensive database of business listings. As of March 31, 2013, we had a dedicated database team of approximately 320 employees that regularly updates the information regarding businesses on our database and supplements it with new entries. We grow our database through our data collection team and marketing executives' directly inviting businesses to provide their information as well as through user feedback and prominent links on our website. Business owners can list their business on our database for free online or by using our mobile Internet platform. To facilitate this process, we have a company-wide data input facility that allows any employee to submit data. Our regular contact with businesses facilitates the updating of their contact information, so as to maintain the accuracy of our database listings to the extent possible. Our users also contribute to our database when they call up our call centre to seek any information and if they have a business that they want to advertise and if that business listing is not available in our database, they provide us with such business information. The data collected is periodically verified by our database team, including through user feedback, although no documentary evidence is gathered for verification.

We collect other information relating to businesses such as geographical location, images, logos, videos and menus, which we believe are useful for our users. We provide searches under multiple categories and each of these categories is further linked to key words that enable our users to search by key words. Through a geographical location-tagging process that we refer to as “Geo-Coding”, we provide the location of businesses listed with us to our users. Once Geo-Coded, these business listings feature in the order of distance based on the searched location by the user. These listings are also marked on the map of that area to enable the user to find the location of the business. Geo-Coding enables our users to do location-based searches.

To further develop a reliable and updated database, while minimizing costs and expenses, we have initiated a reseller program under which third parties collect and provide new entries to our database for a payment. Our relationships with the resellers enables us to receive new entries and obtain new business listings and potential paid advertisers without requiring additional manpower. To maintain quality of information, we provide training and support to our resellers and data is verified by our internal database verification team.

## **Sales, Marketing and Business Development**

### ***Sales***

As of March 31, 2013, we had 3,651 sales and marketing executives, including 2,707 tele-sales executives who market our products and services via telephone and Internet, and 944 “feet on street” executives who generally market our products and services via in-person meetings. These executives are located in and around Ahmedabad, Bengaluru, Chandigarh, Chennai, Coimbatore, Delhi, Hyderabad, Jaipur, Kolkata, Mumbai and Pune.

We use a dedicated sales team of marketing executives and the Internet to market our services to attract new advertisers and convert our free business listings into paid advertisers. We believe that an experienced and well-trained sales team is critical to our operations, and we devote significant resources to developing and maintaining our sales infrastructure.

Our strategy is also to make contact with every business within our target markets that is not listed with us. We work closely with our data collection team to identify and reach out to potential advertisers. We have also implemented a reseller program to procure additional paid advertisers without incurring significant additional costs. As our paid advertisers comprise mostly of SMEs, we plan to offer existing membership packages across more geographies and categories for SME categories. We also intend to further develop dedicated category portals to attract SMEs with focused promotional requirements.

Our sales team is divided into tele-sales executives and “feet on street” executives. Our tele-sales executives make initial contact with existing or potential paid advertisers via telephone. When existing or potential paid advertisers express an interest in upgrading their membership packages or advertising to our tele-sales executives, we send our “feet on street” executives to meet them. When a business owner registers with us online, our tele-sales executives usually contact them within 24 hours to register their listing, inform them of the benefits of paid advertising and, if accepted, to assist them to select an appropriate membership package. Our data collection team works closely with our tele-sales and “feet on street” executives to identify potential paid advertisers.

### ***Marketing and Business Development***

We undertake advertising campaigns of our own from time to time. We believe that investment in our brand building campaign will increase our profile and exposure to the market.

We believe our online and offline (such as television and outdoor advertisements) marketing strategies increase our brand awareness, attract users to use our search services and businesses to list or advertise with us.

Our marketing channels primarily consist of online advertising, such as various search engines, and offline advertising using print or broadcast media to conduct mass media campaigns including television, radio, e-mail or SMS. We use digital marketing tools, such as virtual marketing and online display banners, and have presence in social media, such as Facebook and Twitter.

As part of our strategy to increase awareness of the *Just Dial* brand with SMEs, we have created a team of

marketing executives, called “Just Dial Ambassadors”, whose principal objective is to educate SMEs about our services. As of March 31, 2013, we had 372 Just Dial Ambassadors. In the process of marketing our brand, the Just Dial Ambassadors collect data from the SMEs they have met, inform SMEs of the benefits of paid advertising and in some cases convert SMEs with free business listings into paid advertisers.

### **Technology and Infrastructure**

We believe that our success is dependent on our technology and know-how concerning our database, and that our technology information systems and infrastructure are key operational and management assets which are integral to the provision of our services and products.

As of March 31, 2013, we had a dedicated team of 152 technology experts with the industry expertise to research and develop new software applications for our daily business operations.

We benefit from an advanced technology platform which we believe has a high level of reliability, security and scalability, and which has been designed to handle high transaction volumes. We have the ability to scale up and down our technology infrastructure to meet our operational requirements without incurring substantial costs as we use virtual machines and infrastructure wherever possible. As it is open source, we have also been able to lower our IT costs due to simplified management and reduced systems maintenance.

Our systems infrastructure, Internet and database servers are housed in a secured location, and have monitoring and engineering support 24 hours a day and seven days a week to address technical difficulties and ensure continuity of our business.

Our system allows us to promptly process user inquiries and requests and continually monitor the performance of our sales and customer service representatives, including the average time per call taken by our IROs.

We operate on an open source platform, which powers approximately 816 servers for our various intranet and extranet applications. Our various intranet and Internet applications are accessed by thousands of our tele-sales executives from 11 cities in India and millions of online users on a daily basis.

Since May 2012, we have operated a research and development center in a leased office space in Bengaluru with an objective to develop innovative products and services.

We were the winner of the IDC Enterprise Innovation Award in 2010 for achieving business excellence in India through the use of information technology and the Red Hat JBoss Innovation Award 2010 in the “carved out costs” category for our ability to increase flexibility and decrease information technology and licensing costs through migration from proprietary software to open source solutions. In 2010, we became the first Indian company to be recognized as the Red Hat Innovator of the Year 2010 by popular vote of the attendees of the 2010 Red Hat Summit and the open source community.

### **Security**

We are committed to protecting the security of the information regarding our users and business and other listings. We maintain an information security team that is responsible for implementing and maintaining controls to prevent unauthorized users to access our systems. These controls include the implementation of information security policies and procedures, security monitoring software, encryption policies, access policies, password policies, physical access limitations, and the detection of any fraud committed by internal staff. Our information security team also coordinates internal and external reviews every six months.

We have installed anti-virus software to prevent our systems and infrastructure from being infected and crippled by computer viruses. All our servers installed at all our data centres as well as at all our offices are also secured with firewalls to prevent hacking.

A security lapse that we have experienced occurred on March 5, 2011, when a third party software application was compromised resulting in our website becoming unavailable for 2 hours and 40 minutes. In another instance, our website was rendered unavailable for 5 minutes on April 15, 2011 due to a firewall failure. On January 18, 2012, our website was not accessible from a number of Internet Service Providers for 4 minutes due to the failure of a

router. Our database and application software were not compromised in any of these incidents or at any other time. See “Risk Factors - If our service platforms are misused, it could lead to user dissatisfaction and discourage the use of our products and services and have a material adverse effect on our business and reputation” on page 18.

## **Competition**

We compete with a variety of advertising channels ranging from Internet search engines, operator-assisted directory information services, radio, television, traditional printed directories and other printed platforms such as telephone directories, newspapers, magazines and billboards. We compete with all these channels for both the users and a share of the overall advertising business in India. The principal competitive factors include the size of user base, brand recognition, accessibility across platforms, relationship with paid advertisers, customer service and pricing.

Our competitors include Internet-based search service providers, such as Google. We believe that we are able to differentiate ourselves from the large global search engines due to our consistent delivery of quality user experience and providing features such as reviews and ratings by users, providing our users a reliable and extensive database, multi-platform services on a large scale, personal inter-face by our IROs, our on-the-ground sales force and our understanding, familiarity and experience of the local market. Our focus is on providing local search services on businesses instead of being a generic search engine. In addition, we believe our local know-how (such as our database of SME listings and user review and ratings) and our relationship with the SMEs enable us to offer particularly relevant products and services.

Other competitors include companies such as Infomedia Yellow Pages and Getit Yellow Pages which provide traditional printed and online directories. With the increasing use of mobile devices and changing demographics and lifestyle choices, we believe that our Internet, mobile Internet, voice and SMS search services are better-positioned to provide convenient and speedy service to satisfy our users’ needs and preferences. Our users have immediate access to the ongoing updates to our database, unlike printed directories which are usually updated and distributed annually.

We believe that we are able to differentiate ourselves from other local search service providers in India like “Sulekha” and “Askme” and few other local search engines due to the combination of our large database, availability of our database across multiple platforms and our strong branding.

## **Intellectual Property**

Our intellectual property rights include trademarks and domain names associated with the name “Just Dial,” and other rights arising from confidentiality agreements relating to our database and website content and technology. While we have registered various logos associated with our name, the logo appearing on the cover page of this Red Herring Prospectus has not been registered by us and we filed an application for the registration of such logo on August 11, 2011. This application is currently pending. We regard our intellectual property as an important factor contributing to our success. We rely on a combination of trademark law, trade secret protection, non-competition and confidentiality agreements with our employees and some of our partners to protect our intellectual property rights. We require our employees to enter into agreements to keep confidential all information relating to our users and paid advertisers, method, business and trade secrets during and after their employment with us. Our key employees are required to acknowledge and recognize that all inventions, trade secrets, works of authorship, developments and other processes made by them during their employment are our property. We have applied for copyright registration of our database. Pursuant to registration, our database will enjoy copyright protection and we, as proprietor of the database, will enjoy exclusive rights to, among other things, reproduce, copy, translate or adapt our database.

We have registered our domain name, “<http://www.justdial.com>” and other sub-domain names and have full legal rights over the domain and sub-domain names for the period for which such domain names are registered. We conduct our business under the “Just Dial” brand name and logo, and have registered and applied for various “Just Dial” trademarks in India. Please see the section “Government Approvals—Intellectual Property Related Approvals” on page 352 for further details.

We have obtained registration of two trademarks in the U.S. Further, we have a licensing agreement with Just Dial

Inc., to permit it to use of “Just Dial” brand in the U.S. and Canada. See the section “History and Corporate Matters – Summary of Key Agreements – Trademark license agreement dated August 10, 2011 between JD USA and our Company” on page 162 for further details.

### **Divestment of JD USA and International Expansion**

The initial focus of our international expansion was in the U.S. and Canadian market, which we conducted through JD USA, which used to be our U.S. subsidiary prior to July 22, 2011, and JD Global, which ceased to be our subsidiary in fiscal 2011. JD USA is engaged in the business of providing infrastructure support services to the customers of JD Global in the U.S., which includes arranging lease and telephone lines and providing communication related and database procurement services. In 2010, JD USA launched the toll-free 1-800-Justdial and 1-800-5000-000 operator-assisted call service under the “Just Dial” brand name in the U.S., and subsequently expanded to providing Internet search services at <http://www.us.justdial.com>.

With effect from July 22, 2011, we sold our entire shareholding in JD USA to JD Global and JD USA ceased to be our subsidiary from that date. During fiscal 2012, JD Global paid an aggregate amount of ₹ 22.0 million to us as consideration.

We paid a penalty of ₹ 200,000 to RBI pursuant to compounding of our contravention of certain regulations under FEMA in connection with the remittance of funds to JD USA, see the section “Risk Factors - Our Company has paid a penalty of ₹ 200,000 to RBI pursuant to the compounding of our contravention of certain regulations under FEMA in connection with the remittance of funds by our Company to JD USA”.

For fiscal 2011, JD USA had total assets of ₹ 36.3 million and total revenue of ₹ 23.3 million which are reflected in our consolidated financial statements for fiscal 2011. We will receive an annual license fee equal to 1.0% of JD USA’s net revenues pursuant to a trademark license agreement between us and JD USA. The license agreement also provides that we will continue to own all rights in the “Just Dial” brand name which includes all rights, title and interest in relation to certain trademark applications and registrations and the common law rights in the trademark “Just Dial”.

As JD USA is not a subsidiary of our Company since July 2011, we do not consolidate JD USA. Accordingly, our consolidated financial statements for fiscal 2011 may not be fully comparable to our consolidated financial statements for fiscal 2012. As we no longer have any subsidiaries, our financial statements since fiscal 2012 may not be fully comparable to our consolidated financial statements for fiscal 2012 or prior fiscal years.

For further details, see the section “History and Certain Corporate Matters – Summary of Key Agreements - Sale/Share Transfer Agreement between our Company, JD Global and JD USA and - Trademark license agreement dated August 10, 2011 between JD USA and our Company” on page 162.

Given the knowledge and experience we have obtained by operating in India for approximately 16 years, we believe that it is in our strategic interest to continue to focus on the Indian market and undertake expansion into other geographic areas by entering into licensing or other similar arrangements with parties which may have more experience in, or are better suited for, undertaking the business in such markets. Consequently, we do not have any direct operations in the US or in any country other than India. Except for the non-exclusive arrangement with JD USA for services in the US and Canada, we have not entered into any other licensing arrangement. We have not formalised any policy deciding whether future licensing arrangements would be with existing or future group companies or with third parties. We will determine the counter-parties for future licensing arrangements and the terms of such arrangements (including measures to address conflicts of interest) as and when we decide to enter into any arrangements.

### **Demerger of IT Testing Operations**

To streamline our operations and focus on our core business, we demerged our IT testing operations and other related services to JD Global in fiscal 2012 through a scheme of arrangement which was approved by the High Court of Bombay. For further details, please see the sections “Management’s Discussion and Analysis of Financial Condition and Results of Operations –Demerger of IT Testing Operations” on page 321 and “History and Certain Corporate Matters – Scheme of Arrangement between our Company, Just Dial Global Private Limited and their

respective shareholders and creditors” on page 157.

### **Employees**

We are focused on the recruitment, training and retention of our employees. As of March 31, 2013, we had 7,342 employees. All of our employees are based in India. The following table shows the total number of our employees as of the end of our fiscal years 2009-2013.

	<b>Number of employees as of March 31,</b>				
	2009	2010	2011	2012	2013
Total	3,058	3,763	4,868	6,201	7,342

None of our employees are represented by a labour union and we have not experienced any work stoppages, to date. We believe our employee relations are good.

### **Insurance**

We maintain standard insurance policies for our physical assets and our employees as required by applicable laws and regulations. We maintain and annually renew insurance for losses (but not business interruption) arising from fire, burglary as well as terrorist activities for each of our offices. As of March 31, 2013, our material policies are professional liability for group medical and personal accident insurance and keyman insurance.

### **Properties**

Our registered and corporate office is located at Palm Court, Building-M, 501/B, 5th Floor, Besides Goregaon Sports Complex, New Link Road, Malad (West), Mumbai 400 064, covering approximately 6,095 square feet. We have licensed these premises from our Promoters, V.S.S. Mani and Anita Mani. The license expires on January 31, 2016. In addition, we have 15 offices across India (including one each in Mumbai, Ahmedabad, Chandigarh, Chennai, Coimbatore, Hyderabad, Jaipur, Kolkata, two each in Pune and Noida and three in Bengaluru), which has been occupied by us on leave and license arrangements. We have also leased an office space in Bengaluru for research and development purposes. Most of these leave and license arrangements are for a five-year term with minimum three years lock-in period, require eight to ten months’ rent as security deposit, and involve rents based on the prevailing per-square-foot market rate.

We believe that our existing properties are adequate for our current requirements and that additional space can be obtained on commercially reasonable terms to meet our future requirements as they arise.



## REGULATIONS AND POLICIES

*The following description is a summary of certain sector specific laws and regulations in India, which are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.*

### **The Telecom Regulatory Framework**

The usage of telecommunications infrastructure in India, including bandwidth, telecommunication links and other infrastructure is regulated by legislation, administrative orders, licensing and contractual mechanisms. The Department of Telecommunications or DoT under the Ministry of Communications & Information Technology, GoI frames and administers policy in matters of telecommunications. The Telecom Regulatory Authority of India (the “TRAI”), established under the Telecom Regulatory Authority of India Act, 1997, as amended is an independent regulator of telecommunication services. TRAI is responsible for framing rules and regulations in relation to telecommunication services and administering applicable laws such as the Indian Telegraph Act, 1885 and the Indian Wireless Telegraphy Act, 1933. In addition to the power to frame rules and regulations, TRAI also has the adjudicatory powers to resolve disputes between service providers and matters relating to quality of telecommunication services and the interest of consumers.

As part of our Company’s operations, particularly our telephone-based local search service, we are required to comply from time to time with the laws, rules and regulations in relation to the telecommunications infrastructure in India.

### ***OSP Licenses***

The New Telecom Policy, 1999 (the “NTP”) was framed by the DoT and aimed at creating an enabling framework for developing the telecommunications industry. The NTP provided for other service providers (“OSPs”) to use the infrastructure provided by various access providers by obtaining registrations for specific services being offered subject to certain restrictions. These restrictions are that OSPs shall not infringe upon the jurisdiction of other access providers and that they will not provide switched telephony.

The units of our Company providing call centre services are required to obtain separate licenses from the DoT. These units are subject to license-based restrictions along with the OSP-specific terms and conditions issued by the DoT from time to time. Some examples of these restrictions include periodic reporting requirements, denial of connectivity with international call centres and adherence to certain network standards.

### ***Telemarketing Licenses***

The NTP envisaged the provision of better telecommunication facilities to the people. Keeping this view in mind, the DoT has framed telemarketing guidelines which regulate commercial messages transmitted through telecommunication services. These guidelines require any person or entity engaged in telemarketing to obtain registration from the DoT.

Our voice-based and text-based services are subject to the telemarketing guidelines and the restrictions provided for therein. Some examples of these restrictions include separation of network resources used for telemarketing from other resources, reporting of call data records to authorities, denial of providing switched telephony etc.

Telemarketing guidelines were first issued by TRAI as the Telecom Unsolicited Commercial Communications Regulations, 2007 (the “Unsolicited Communications Regulations”). The Unsolicited Communications Regulations required telemarketers to, *inter alia*, obtain registration and discontinue the transmission of unsolicited commercial messages to telephone subscribers registered with a national database established under the regulations. The Unsolicited Communications Regulations have now been replaced with the Telecom Commercial Communications Customer Preference Regulations, 2010 (the “Customer Preference Regulations”), issued by TRAI on December 1, 2010. The Customer Preference Regulations prohibit the transmission of unsolicited

commercial communication via calls or SMS, except commercial communication relating to certain categories specifically chosen by the subscribers, certain exempted transactional messages and any message transmitted on the directions of the Government or State Government or their authorized agencies, impose penalties on access providers for any violations, require setting up customer complaint registration facilities by access providers and provide for blacklisting of telemarketers in specified cases. Further, the regulations prohibit the transmission of commercial messages during the night, allocate clearly identifiable telephone numbers to telemarketers and also restrict the number of commercial messages transmitted through an access provider. Under the Customer Preference Regulations, no person, or legal entity who subscribes to a telecom service provided by an access provider, shall make any commercial communication without obtaining a registration as a telemarketer from TRAI.

### **Information Technology Laws**

The Information Technology Act, 2000 (the “IT Act”) was enacted with the purpose of providing legal recognition to electronic transactions. In addition to providing for the recognition of electronic records, creating a mechanism for the authentication of electronic documentation through digital signatures, the IT Act also provides for civil and criminal liability including fines and imprisonment for various computer related offenses. These include offenses relating to unauthorised access to computer systems, modifying the contents of such computer systems without authorization, damaging computer systems, the unauthorised disclosure of confidential information and computer fraud. The Information Technology (Amendment) Act, 2008, which came into force on October 27, 2009, amended the IT Act and *inter alia* gives recognition to contracts concluded through electronic means, creates liability for failure to protect sensitive personal data and gives protection to intermediaries in respect of third party information liability.

In April 2011, the Department of Information Technology under the Ministry of Communications & Information Technology, GoI notified the Information Technology (Reasonable security practices and procedures and sensitive personal data or information) Rules, 2011 in respect of section 43A of the IT Act (the “Personal Data Protection Rules”) and the Information Technology (Intermediaries guidelines) Rules, 2011 in respect of section 79(2) of the IT Act (the “Intermediaries Rules”). The Personal Data Protection Rules prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data. The Intermediaries Rules require persons receiving, storing, transmitting or providing any service with respect to electronic messages to not knowingly host, publish, transmit, select or modify any information prohibited under the Intermediaries Rules and to disable such information after obtaining knowledge of it. Further, the Department of Personnel and Training under the Ministry of Personnel, Public Grievances and Pensions, GoI has proposed to introduce a new legal framework that would balance national interest with concerns of privacy, data protection and security.

As part of our Company’s operations, we are required to comply with the IT Act and the provisions thereof.

### **Intellectual Property Laws**

Intellectual property in India enjoys protection under both common law and statute. Under statute, India provides for the patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999. These enactments provide for the protection of intellectual property by imposing civil and criminal liability for infringement. In addition to the domestic laws, India is a party to several international intellectual property related instruments including the Patent Co-operation Treaty, 1970, the Paris Convention for the Protection of Industrial Property, 1883, the International Convention for the Protection of Literary and Artistic Works adopted at Berne in 1886, the Universal Copyright Convention adopted at Geneva in 1952, the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations 1961 and as a member of the World Trade Organisation is a signatory to the Agreement on Trade Related aspects of Intellectual Property Rights, 1995.

Our Company has obtained trade mark registrations for the various brands and logos used in our business which are subject to the provisions of the Trade Marks Act, 1999. We have also filed for copyright registration of our databases to enjoy the statutory protection of the Copyright Act, 1957.

## **Laws relating to Employment**

### ***Labour Laws***

Labour laws in India classify persons into ‘employees’ and ‘workmen’ based on factors which, among others, include the nature of work and remuneration. While workmen are typically entitled to various statutory benefits including gratuity, bonus, retirement benefits and insurance protection, employees are governed by the terms of their employment contracts.

The following is an indicative list of laws applicable to our operations and our employees and workmen:

- The ESI Act
- The Employees Provident Funds and Miscellaneous Provisions Act, 1952
- The Industrial Disputes Act, 1947
- The Minimum Wages Act, 1948
- The Payment of Bonus Act, 1965
- The Payment of Gratuity Act, 1972

### ***Shops and Establishments laws in various states***

Under the provisions of local Shops and Establishments laws applicable in various states, establishments are required to be registered. Such laws regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. Our Company’s offices have to be registered under the Shops and Establishments laws of the state where they are located.

### **Other regulations**

In addition to the above, our Company is required to comply with the provisions of the Companies Act, FEMA, the Competition Act, 2002, different state legislations, various tax related legislations and other applicable statutes for its day-to-day operations.

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief History of our Company

Our Company was incorporated as A&M Communications Private Limited on December 20, 1993 at New Delhi as a private limited company under the Companies Act. Subsequently, the registered office of our Company was shifted to the State of Maharashtra with effect from August 30, 2004 and a certificate dated December 16, 2004 of registration of the order of the Company Law Board confirming transfer of the registered office from one state to another was issued by the Registrar of Companies, Maharashtra. The name of our Company was changed from A&M Communications Private Limited to Just Dial Private Limited on December 26, 2006. Subsequently, pursuant to a special resolution passed by our Shareholders at an extra-ordinary general meeting held on July 22, 2011, our Company was converted into a public limited company and the word “private” was deleted from its name. Consequently, the name of our Company was changed to Just Dial Limited and a fresh certificate of incorporation pursuant to the change of name was issued by the RoC on July 26, 2011.

### Changes in Registered Office

The details of changes in the registered office are set forth below:

Date of change of Registered Office	Details of the address of Registered Office
June 1, 2002	From B-501, Purvasha, Anand Lok, Mayur Vihar, Phase – 1, New Delhi 110 091 to C-57, 2 <sup>nd</sup> floor, Preet Vihar, New Delhi 110 092
August 30, 2004	From C-57, 2 <sup>nd</sup> Floor, Preet Vihar, New Delhi 110092 to 7, Sahadev, Vishal Nagar, Marve Road, Malad (West), Mumbai 400 064
May 26, 2005	From 7, Sahdev, Vishal Nagar, Marve Road, Malad (West), Mumbai – 400 064 to Palm Court, Building – M, 501/B 5 <sup>th</sup> Floor, Besides Goregaon Sports Complex, New Link Road, Malad (West), Mumbai – 400 064

The changes in the Registered Office were made to ensure greater operational efficiency and to meet growing business requirements. The changes to the name of our Company were undertaken to align the name with the nature of business of our Company and upon conversion of our Company from a private limited company to public limited company.

### The Main Objects of Company

The main objects contained in the Memorandum of Association of our Company are as follows:

- To carry on the business in India and abroad, of accessing, tabulating and providing business information about the characteristics, interest and other attributes of various types of businesses, projects, individuals, organizations and countries including printing, publishing, editing of books, newspapers, magazines, periodicals and journals.*
- To act as consultants and advisors on matters and problems relating to business information including to access, analyse, process, interpret, distribute and executive data, statistics and information relating to any type of business or industry.*
- To arrange for systematic communication of business information including making use of modern communication aids and facilities like computers and other electronic data processing machines, tax and telex.*
- To carry on the business of manufacture, develop, design, research, assemble, supply, install, import, export, sell, servicing agents and deal in all kinds of telecommunication and telematic equipments, tele information equipments, satellite communication terminals, intercommunication apparatus and equipment for commercial, public and private uses and provide services in direct mailing systems.*

5. *To carry the business of advertising and publicity agents, consultants and contractors in all its branches, designer of advertisements, press agents, News agents, Printing agents, Newspaper cutting agents, bills posters commission agents, promoters of or organisers of or agents for all types of advertisement or publicity schemes and methods inclusive of all types of advertisement or publicity schemes and methods inclusive of all types of advertisement through cinema medium at both national and international levels. To carry on the business of agents of and producing advertisement films.*
6. *To carry on the business of advertising agency of providing to the advertiser a complete range of national and international advertising services on all mass media, like radio, television, cable network, Cinema, video, hoarding, kiosks bus panels, water trolleys, auto rickshaws, taxis, newspaper, foreign and Indian magazines and films and to carry on the business of advertising consultancy and professional market research, collection of database and provide information consultancy.*
7. *To setup and run electronic data processing centres, designing and development of system and application software, carrying feasibility studies for computerization, manufacturing and setting up computer system, peripherals and related consumables.*

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out.

#### **Amendments to the Memorandum of Association**

<b>Date of shareholders' resolution</b>	<b>Nature of Amendment</b>
September 2, 1996*	Clause V of the Memorandum of Association was amended to reflect the increase in the authorised share capital of our Company from ₹ 100,000 divided into 10,000 Equity Shares to ₹ 1,000,000 divided into 100,000 Equity Shares.
September 2, 2002	Clause V of the Memorandum of Association was amended to reflect the increase in the authorised share capital of our Company from ₹ 1,000,000 divided into 100,000 Equity Shares to ₹ 5,000,000 divided into 500,000 Equity Shares
August 6, 2003	Clause II of the Memorandum of Association was amended to reflect the change of registered office of our Company from NCT of Delhi to State of Maharashtra.
March 30, 2004	Clause V of the Memorandum of Association was amended to reflect the increase in the authorised share capital of our Company from ₹ 5,000,000 divided into 500,000 Equity Shares to ₹ 10,000,000 divided into 1,000,000 Equity Shares
August 19, 2005	Clause V of the Memorandum of Association was amended to reflect the increase in the authorised share capital of our Company from ₹ 10,000,000 divided into 1,000,000 Equity Shares to ₹ 40,000,000 divided into 4,000,000 Equity Shares
March 27, 2006	Clause V of the Memorandum of Association was amended to reflect the increase in the authorised share capital of our Company from ₹ 40,000,000 divided into 4,000,000 Equity Shares to ₹ 110,000,000 divided into 11,000,000 Equity Shares
May 5, 2006	Clause V of the Memorandum of Association was amended to reflect the increase in the authorised share capital of our Company from ₹ 110,000,000 divided into 11,000,000 Equity Shares to ₹ 150,000,000 divided into 15,000,000 Equity Shares
October 9, 2006	Clause V of the Memorandum of Association was amended to reflect the increase in the authorised share capital of our Company from ₹ 150,000,000 divided into 15,000,000 Equity Shares to ₹ 154,000,000 divided into 15,000,000 Equity Shares and 400,000 Preference Shares of ₹ 10 each
December 26, 2006	Clause I of the Memorandum of Association was altered by inserting the name "Just Dial Private Limited" in place of "A&M Communications Private Limited"
February 26, 2007	The objects clause III (A) of the Memorandum of Association was altered by inserting the following clause immediately after subclause 6:

<b>Date of shareholders' resolution</b>	<b>Nature of Amendment</b>
	<i>“To setup and run electronic data processing centres, designing and development of system and application software, carrying feasibility studies for computerization, manufacturing and setting up computer system, peripherals and related consumables.”</i>
April 24, 2010	Clause V of the Memorandum of Association was amended to reflect the increase in the authorised share capital of our Company from ₹ 154,000,000 divided into 15,000,000 Equity Shares and 400,000 Preference Shares of ₹ 10 each to ₹ 1,004,000,000 divided into 100,000,000 Equity Shares and 400,000 Preference Shares of ₹ 10 each
May 9, 2011	Clause V of the Memorandum of Association was amended to reflect the increase in the authorised share capital of our Company from ₹ 1,004,000,000 divided into 100,000,000 Equity Shares and 400,000 Preference Shares of ₹ 10 each to ₹ 1,012,000,000 divided into 100,000,000 Equity Shares and 1,200,000 Preference Shares of ₹ 10 each
July 22, 2011	Clause I of the Memorandum of Association was altered by inserting the name “Just Dial Limited” in place of “Just Dial Private Limited”

\* *Date of the resolution passed by our Board. We are unable to locate our corporate records such as minutes of the meeting of the shareholders and the form filed with the Registrar of Companies, in relation to the increase of the initial authorised capital of our Company.*

### **Major events of our Company**

The table below sets forth some of the key events in the history of our Company:

<b>Year</b>	<b>Event</b>
<b>1993</b>	Incorporation of our Company as A&M Communications Private Limited
<b>1996</b>	Commencement of our Company's search business operations in Mumbai with 8888-888 telephone number
<b>2000</b>	Secondary sale of 50% stake by our Promoters to Indiainfo.com Private Limited
<b>2006</b>	Investment of ₹ 546,947,470 by SAIF
<b>2006</b>	Change in name of our Company from A&M Communications Private Limited to Just Dial Private Limited
<b>2007</b>	Launch of our Company's website <a href="http://www.justdial.com">http://www.justdial.com</a>
<b>2007</b>	Investment of ₹ 165,287,873 by Tiger Global Four Holdings and Tiger Global Principals Limited and second round of investment of ₹ 40,140,750 by SAIF
<b>2007</b>	Launch of our search service through SMS and mobile internet
<b>2009</b>	Our website receives 25 million visits in a year for the first time
<b>2011</b>	Investment of ₹ 166,932,666 by SAPV and ₹ 166,932,666 by EGCS
<b>2011</b>	Demerger of activities and operations pertaining to IT-related testing and other related services of our Company to JD Global
<b>2012</b>	Investment of ₹ 3,269,507,759 by Sequoia I and Sequoia II and second round of investment by SAPV.

### **Scheme of Amalgamation between our Company, RRR Computech (India) Private Limited and their respective shareholders**

On November 16, 2006, our Board approved a scheme of amalgamation under Sections 391 to 394 of the Companies Act for the amalgamation (the “Scheme of Amalgamation”) of RRR Computech (India) Private Limited (“RRR Computech”) with our Company, whereby the entire businesses and whole of the undertaking of RRR Computech including all its properties and assets, liabilities, rights, duties, obligations, etc. were transferred to our Company and RRR Computech was dissolved without winding up, with effect from January 1, 2007. RRR Computech was engaged in the business of developing and designing system and application software. The Scheme of Amalgamation came into effect on the last of the dates on which the certified copies of the orders of the High Court of Bombay and the High Court of Andhra Pradesh sanctioning the scheme were filed with the Registrar of Companies, Mumbai at Maharashtra and the Registrar of Companies, Hyderabad at Andhra Pradesh.

Our Company obtained the approvals of the High Court of Bombay and the High Court of Andhra Pradesh for the Scheme of Amalgamation on February 9, 2007 and February 22, 2007, respectively.

As consideration for the transfer of undertakings, business, investments, obligations, employees, etc. from RRR Computech to our Company as envisaged under the Scheme of Amalgamation, our Company paid cash consideration of ₹ 1,444 for every one fully paid-up equity share held in RRR Computech to certain specified shareholders of RRR Computech, as specified in the Scheme of Amalgamation. During the year ended March 31, 2007, our Company issued and allotted 282,304 Equity Shares in aggregate to the remaining shareholders of RRR Computech who held 503,067 fully paid-up equity shares of RRR Computech. The consideration and the exchange ratios was determined based on the valuation report dated November 9, 2006 prepared by Nitin Gada & Co, Chartered Accountants, wherein each equity share of RRR Computech was valued at ₹ 1,444 and each Equity Share of our Company was valued at ₹ 2,574. Pursuant to the Scheme of Amalgamation, the Equity Shares held by RRR Computech in our Company were cancelled.

The Scheme of Amalgamation, *inter alia*, provided the manner of vesting and transfer of the assets of RRR Computech to our Company, the transfer of contracts of whatsoever nature of RRR Computech to our Company and the continuance of our Company as a party in RRR Computech's place in the same, the transfer of all suits and proceedings by or against RRR Computech to our Company and the transfer of employees engaged by RRR Computech to our Company.

#### **Scheme of Arrangement between JD Global, its shareholders and creditors**

On October 20, 2010, our Board approved a scheme of arrangement under sections 391 to 394 and other relevant provisions of the Companies Act for the cancellation of all 525,000 equity shares of JD Global of ₹ 10 each held by our Company and the consequent reduction in the paid-up equity capital of JD Global (the "Scheme of Arrangement"). Pursuant to the Scheme of Arrangement, during fiscal 2011, all 525,000 equity shares of JD Global of ₹ 10 each held by our Company were cancelled and a payment of ₹ 5.25 million was made to our Company in cash towards the equity capital held by our Company in JD Global. The Scheme of Arrangement also provided for that the capital reduction in the books of JD Global shall become effective upon the Scheme of Arrangement becoming effective. The Scheme of Arrangement was sanctioned by the High Court of Bombay by an order dated February 11, 2011. The Scheme of Arrangement came into effect on March 18, 2011, which was the date on which the certified copy of the order of the High Court of Bombay sanctioning the Scheme of Arrangement was filed with the Registrar of Companies, Mumbai at Maharashtra.

#### **Scheme of Arrangement between our Company, Just Dial Global Private Limited and their respective shareholders and creditors**

On April 15, 2011, our Board approved a scheme of arrangement under Sections 391 to 394, read with Section 78 and Sections 100 to 103, and other relevant provisions of the Companies Act (the "Scheme"). The Scheme provided for a demerger of (i) the activities and operations pertaining to the IT-related testing and other related services of our Company, including all related assets, liabilities, employees, rights and powers, and (ii) the investments made by our Company in the share capital of JD Global, comprising 611,758 optionally convertible non-cumulative preference shares (collectively, the "Demerged Undertaking"). In terms of the Scheme, the Demerged Undertaking was proposed to be transferred to and vested in favour of JD Global with effect from August 1, 2011 (the "Appointed Date"). The Scheme was approved by the High Court of Bombay pursuant to an order dated October 14, 2011 and became effective on November 3, 2011, the date of filing of the order passed by the High Court of Bombay with the RoC (the "Effective Date"). Pursuant to the Scheme becoming effective, all our investments in JD Global including the preference shares held therein by our Company have been cancelled. Our Company did not hold any equity shares in JD Global and only held an aggregate of 611,758 optionally convertible non-cumulative preference shares, which were cancelled upon the Scheme becoming effective.

As consideration for the transfer of the Demerged Undertaking as envisaged under the Scheme, JD Global was required to issue equity shares of JD Global to such persons who were shareholders of our Company as on August 1, 2011 (the "Specified Shareholders"). The number of equity shares required to be issued by JD Global to the Specified Shareholders was equivalent to the number of shares our Company would have been entitled to upon conversion of the optionally convertible preference shares held by our Company in JD Global on the date

immediately preceding August 1, 2011. Accordingly, on May 11, 2012, JD Global issued and allotted 918,251 equity shares of JD Global to the Specified Shareholders, in proportion to their shareholding in our Company (on a fully converted basis) as on August 1, 2011.

Pursuant to the Scheme taking effect, during fiscal 2012, on the assets side our Company's balance-sheet (i) all investments made by our Company in the shares of JD Global amounting to ₹ 724.76 million were transferred to JD Global by way of cancellation of the preference shares held by our Company in JD Global, and (ii) the book value of certain other assets of the Demerged Undertaking amounting to ₹ 0.25 million were transferred to JD Global. Accordingly, the liabilities side of the balance-sheet was adjusted to the extent of the aggregate book value of the Demerged Undertaking amounting to ₹ 725.01 million in the following manner: (i) firstly, our Company's securities premium account was adjusted to the extent of ₹ 326.64 million, and (ii) the balance ₹ 398.37 million was adjusted against the profit and loss account. To the extent that the amount was required to be adjusted against the securities premium account, the Scheme proposed a reduction of capital of our Company in accordance with the provisions of the Companies Act, and accordingly a reduction of capital to the extent of ₹ 725.01 million was undertaken in our Company. Our shareholders passed a resolution dated July 22, 2011 for the reduction of capital pursuant to, and subject to, the Scheme becoming effective. These adjustments also affected our Company's net worth.

Additionally, upon the Scheme becoming effective: (a) our Company was substituted by JD Global in all contracts and legal proceedings pertaining to the Demerged Undertaking; (b) our Company transferred the IT infrastructure pertaining to the testing and other related activities; and (c) employees of our Company engaged in activities pertaining to the Demerged Undertaking became the employees of JD Global.

Please also see the section "Management's Discussion and Analysis of Financial Condition and Results of Operations – Demerger of IT Testing Operations" on page 321, for further details on impact of the Scheme.

## **Summary of Key Agreements**

### ***Share Subscription and Share Purchase Agreements***

#### ***1. Subscription Agreement dated October 3, 2006 between SAIF and our Company***

Our Company and SAIF had entered into a share subscription agreement dated October 3, 2006 ("SAIF SSA"). Pursuant to the SAIF SSA, our Company issued 207,806 Preference Shares Series A to SAIF at a price of USD 57.78 each aggregating to USD 12,007,629. In terms of the SAIF SSA, SAIF shall be a 'strategic investor' and shall not be represented by our Company to be a promoter in its books and records or in relation to any initial public offer. Further, our Company had unconditionally and irrevocably granted its consent to SAIF to make investments or enter into any arrangements including joint ventures with any person in India who is engaged in the same or similar business. Pursuant to the SAIF SSA, our Company, our Promoters, Raj Koneru, Clearmist Limited, R.R.R. Computech (India) Private Limited and SAIF entered into a shareholders' agreement dated October 3, 2006 which was terminated and replaced by a shareholders' agreement dated April 19, 2007. The shareholders' agreement dated April 19, 2007 was terminated and replaced by an amended and restated shareholders' agreement dated November 13, 2009. Further, the amended and restated shareholders' agreement dated November 13, 2009 was terminated and replaced by an amended and restated shareholders' agreement dated May 23, 2011 which in turn was terminated and replaced by an amended and restated shareholders' agreement dated June 21, 2012.

#### ***2. Subscription Agreement dated April 19, 2007 between SAIF, Tiger Global Four Holdings, Tiger Global Principals Limited, V.S.S. Mani and our Company***

Our Company and SAIF, Tiger Global Four Holdings, Tiger Global Principals Limited ("Investors") and V.S.S. Mani had entered into a subscription agreement dated April 19, 2007 ("Tiger Global SSA"). Pursuant to the Tiger Global SSA, our Company issued:

- 8,713 Preference Shares Series A to SAIF at a price of USD 111.908 per share each aggregating to USD 975,000;



- 35,967 Preference Shares Series A to Tiger Global Four Holdings and Tiger Global Principals Limited at a price of USD 111.908 per share each aggregating to USD 4,024,995.04; and
- One Preference Shares Series B to V.S.S. Mani for an amount of ₹ 10.

Further, V.S.S. Mani transferred 6,806 Equity Shares to Clearmist Limited as a condition precedent to the Tiger Global SSA. In terms of the Tiger Global SSA, the Investors shall be ‘private equity investors’ and shall not be represented by our Company to be a promoter in its books and records or in relation to any initial public offer process. Further, our Company had unconditionally and irrevocably granted its consent to the Investors to make investments or enter into any arrangements including joint ventures with any person in India who is engaged in the same or similar business. Pursuant to this, our Company, our Promoters, Raj Koneru, Clearmist Limited and the Investors entered into a shareholders’ agreement dated April 19, 2007 which has been terminated and replaced by an amended and restated shareholders’ agreement dated November 13, 2009. The amended and restated shareholders’ agreement dated November 13, 2009 was terminated and replaced by an amended and restated shareholders’ agreement dated May 23, 2011 which in turn was terminated and replaced by an amended and restated shareholders’ agreement dated June 21, 2012.

Our Company, Tiger Global Four Holdings, Tiger Global Principals Limited, Clearmist Limited and Vemuri Sneha Prabha and V.S.S. Mani had also entered into a stock purchase agreement dated April 19, 2007 whereby V.S.S. Mani, Clearmist Limited and Vemuri Sneha Prabha sold 111,422 Equity Shares for an aggregate amount of USD 12,496,013.18 to Tiger Global Four Holdings and 5,863 Equity Shares for USD 656,116.60 to Tiger Global Principals Limited.

**3. *Share purchase agreement dated June 16, 2009 between Sequoia III, Tiger Global Five Holdings, Tiger Global Principals Limited, SAIF, Raj Koneru, Clearmist Limited, Vemuri Sneha Prabha and our Company***

Our Company, Sequoia III, Tiger Global Five Holdings, Tiger Global Principals Limited, SAIF, Raj Koneru, Clearmist Limited and Vemuri Sneha Prabha had entered into a share purchase agreement dated June 16, 2009 (the “Sequoia SPA”). Pursuant to the Sequoia SPA, our Company’s shareholders, Raj Koneru, Clearmist Limited and Vemuri Sneha Prabha, sold 242,535 Equity Shares, held collectively by them at a price of USD 67.79 per Equity Share to Sequoia III, Tiger Global Five Holdings, Tiger Global Principals Limited and SAIF. In terms of the Sequoia SPA, Sequoia III, Tiger Global Five Holdings, Tiger Global Principals Limited and SAIF had executed a deed of adherence dated June 16, 2009 to the shareholders’ agreement dated April 19, 2007. The shareholder’s agreements dated April 19, 2007 was terminated and replaced by an amended and restated shareholders’ agreement dated November 13, 2009. The amended and restated shareholders’ agreement dated November 13, 2009 was terminated and replaced by an amended and restated shareholders’ agreement dated May 23, 2011 which in turn was terminated and replaced by an amended and restated shareholders’ agreement dated June 21, 2012.

**4. *Share subscription agreement dated February 10, 2011 between Amitabh Bachchan and our Company***

Our Company and Amitabh Bachchan had entered into a share subscription agreement dated February 10, 2011. The share subscription agreement required that the issue and allotment of Equity Shares be completed on or before the date of the share subscription agreement or such other date as may be mutually agreed between the parties. Our Company issued and allotted 62,794 Equity Shares to Amitabh Bachchan at a price of ₹ 10 per Equity Share aggregating to ₹ 627,940.

**5. *Share purchase agreement dated May 23, 2011 between Ramani Iyer, V. Krishnan, EGCS, SAPV and our Company***

Our Company, Ramani Iyer, V. Krishnan, EGCS and SAPV had entered into a share purchase agreement dated May 23, 2011 (“EGCS-SAPV SPA”). Pursuant to the EGCS-SAPV SPA, Ramani Iyer and V. Krishnan sold 163,763 Equity Shares each to SAPV and EGCS, respectively, at a price of ₹ 344.88 per Equity Share. In terms of the EGCS-SAPV SPA, EGCS and SAPV had agreed to execute a deed of adherence to the shareholders’ agreement dated May 23, 2011. The amended and restated shareholders’ agreement dated May 23, 2011 was terminated and replaced by an amended and restated shareholders’ agreement dated June 21, 2012.

**6. Subscription Agreement dated May 23, 2011 between EGCS, SAPV and our Company**

Our Company and EGCS and SAPV (“Investors”) had entered into a subscription agreement dated May 23, 2011 (“EGCS-SAPV SSA”). Pursuant to the EGCS-SAPV SSA, our Company issued 484,030 Preference Shares Series C to EGCS and 484,030 Preference Shares Series C to SAPV at a price of ₹ 344.88 per Preference Share Series C.

The rights attached to Preference Shares Series B shall be altered, as a condition precedent to the EGCS-SAPV SSA, to entitle their holder, V.S.S. Mani, to exercise 51.13% of the total voting share capital of our Company on a fully diluted basis. Further, in terms of the EGCS-SAPV SSA, the Investors shall be ‘private equity investors’ and shall not be represented by our Company to be a promoter in its books and records or in relation to any initial public offer process. Pursuant to the EGCS-SAPV SSA, our Company, our Promoters, SAIF, Sequoia, Tiger Global, EGCS and SAPV entered into a shareholders’ agreement dated May 23, 2011. The amended and restated shareholders’ agreement dated May 23, 2011 was terminated and replaced by an amended and restated shareholders’ agreement dated June 21, 2012.

**7. Share purchase agreement dated June 21, 2012 between Sequoia I, Sequoia II, V.S.S. Mani, Sandipan Chattopadhyay, Koora Srinivas and our Company**

Our Company, Sequoia I, Sequoia II, V.S.S. Mani, Sandipan Chattopadhyay and Koora Srinivas have entered into a share purchase agreement dated June 21, 2012 (“Sequoia SPA”). Pursuant to the Sequoia SPA, V.S.S. Mani has sold 548,638 Equity Shares to Sequoia I at a price of ₹ 488.66 per Equity Share and V.S.S. Mani, Sandipan Chattopadhyay and Koora Srinivas have sold 433,638 Equity Shares, 100,000 Equity Shares and 15,000 Equity Shares, respectively, to Sequoia II at a price of ₹ 488.66 per Equity Share.

**8. Share purchase agreement dated June 22, 2012 between SAPV, V. Krishnan, certain shareholders of our Company and our Company**

Our Company, SAPV, V. Krishnan and certain shareholders of our Company have entered into a share purchase agreement dated June 22, 2012 (“SAPV SPA”). Pursuant to the SAPV SPA, V. Krishnan and 14 other shareholders of our Company have sold 457,000 Equity Shares, in aggregate, to SAPV at a price of ₹ 488.66 per Equity Share.

**9. Subscription agreement dated June 21, 2012 between Sequoia I, Sequoia II and our Company**

Our Company, Sequoia I and Sequoia II have entered into a subscription agreement dated June 21, 2012 (“Sequoia SSA”). Pursuant to the Sequoia SSA, our Company issued 2,568,243 Equity Shares to Sequoia I and 2,568,243 Equity Shares to Sequoia II at a price of ₹ 488.66 per Equity Share.

**Shareholders’ Agreements**

**10. Amended and restated shareholders’ agreement dated June 21, 2012.**

Sequoia, Tiger Global, EGCS and SAPV (the “Private Equity Investors”) have made various rounds of investment in our Company and are currently shareholders of our Company. For further details, please see the sections entitled “Summary of Key Agreements – Share Subscription and Share Purchase Agreements” and “Capital Structure – Notes to Capital Structure – Share Capital History of our Company” on pages 158 and 79, respectively. In order to regulate their relationship and the respective rights and obligations as shareholders of our Company, the Private Equity Investors, our Promoters and our Company have entered into a shareholders’ agreement dated June 21, 2012 (the “SHA”). The Private Equity Investors and our Promoters are hereinafter referred to as the “SHA Shareholders”. The provisions of the SHA, including the rights and obligations of the SHA Shareholders, have been incorporated under Part B of our Company’s Articles of Association. Part B of our Company’s Articles of Association will become inapplicable on receipt of listing and trading approvals from a recognised stock exchange, or earlier if required by applicable laws or SEBI, pursuant to an IPO or a qualified IPO by our Company. On October 3, 2006, our Company, our Promoters, Raj Koneru, Clearmist Limited, R.R.R. Computech (India) Private Limited and SAIF had entered into a shareholders’ agreement which was terminated and replaced by a shareholders’ agreement dated April 19, 2007. The shareholders’ agreement dated April 19, 2007 was

terminated and replaced by an amended and restated shareholders' agreement dated November 13, 2009. Further, the amended and restated shareholders' agreement dated November 13, 2009 was terminated and replaced by an amended and restated shareholders' agreement dated May 23, 2011 which in turn was terminated and replaced by the SHA.

In terms of the SHA, the SHA Shareholders would be subject to certain rights and obligations, a summary whereof has been provided below:

- (i) the SHA Shareholders shall have a right of first refusal regarding any issue and allotment of Equity Shares;
- (ii) the SHA Shareholders shall cause our Company to undertake a qualified IPO through an offer for sale of Equity Shares, but which may also include a fresh issue of Equity Shares subject to prior consent of Sequoia I and Sequoia II within three years from the closing date under the SHA and in such global capital market or markets as the Board of Directors may determine;
- (iii) if our Company has not undertaken an IPO within three years from the closing date under the SHA, any one of the Private Equity Investors shall have a right to cause our Company to undertake an IPO on such terms and conditions as it deems fit;
- (iv) our Promoters shall, until completion of an IPO or a qualified IPO, continue to hold at least 25% or such other percentage of Equity Share capital as may be required for complying with guidelines issued by SEBI or any other Indian regulator;
- (v) the SHA Shareholders cannot undertake a transfer of Equity Shares held by them or their respective rights and obligations except in accordance with the SHA;
- (vi) moreover, any transfer by an SHA Shareholder shall be subject to a right of first refusal available to other SHA Shareholders;
- (vii) if our Promoters intend to transfer Equity Shares held by them and any of the Private Equity Investors do not exercise their right of first refusal, then they shall be entitled to co-sale rights;
- (viii) the Private Equity Investors are entitled to anti-dilution rights to ensure price parity with any further issue of Equity Shares or convertible securities by our Company.

In terms of the SHA, the Board of Directors shall have no more than nine Directors, with SAIF, Tiger Global and Sequoia, having the right to nominate one Director each and our Promoters having the right to nominate six Directors. Three out of the six directors nominated by our Promoters shall be independent directors. SAIF, Tiger Global and Sequoia shall at all times be entitled to have one nominated member on the Board of Directors as long as each owns 5% of the issued and outstanding Equity Shares of our Company. Additionally, SAIF, Tiger Global, SAPV and Sequoia are, as long as they hold any shares in our Company, entitled to nominate an observer for attending meetings of the Board of Directors, including any committees thereof, in a non-voting capacity. Further, our Company shall require the approval of our Promoters, SAIF, Tiger Global, Sequoia III and collectively, Sequoia I and Sequoia II, to undertake certain reserved matters including, *inter alia*, changing the share capital of our Company, undertaking any merger, acquisition consolidation or amalgamation, changing the composition of the Board of Directors and change in statutory auditors of our Company. Further, in terms of the SHA, our Promoters have provided a non-compete undertaking in relation to printed/ operator-assisted/ web-based yellow pages activities or any other activities that could compete with our Company's business for a period of five years from the date of the SHA, except in relation to JD Global and JD USA.

The SHA will terminate (i) upon a written agreement between the parties to the SHA, (ii) upon liquidation of our Company, (iii) as to a particular SHA Shareholder when such SHA Shareholder ceases to be a shareholder of our Company, (iv) any party committing a breach of the terms of the SHA, which, if curable, is not cured within 45 days of notice from the non-defaulting parties, (v) upon receipt of listing and trading approval granted by a recognised stock exchange for an IPO or a qualified IPO.

**11. Letter dated August 9, 2012 from our Company and our Promoters to EGCS, SAIF, SAPV, Sequoia I, Sequoia II, Sequoia III and Tiger Global.**

Our Company and our Promoters have entered into a letter agreement dated August 9, 2012 with EGCS, SAIF, SAPV, Sequoia I, Sequoia II, Sequoia III and Tiger Global for amending certain terms of the amended and restated shareholders' agreement dated June 21, 2012. In terms of the letter agreement, the parties have agreed that

the amended and restated shareholders' agreement dated June 21, 2012 shall terminate on and from the date of filing the Prospectus with the RoC. Further, EGCS, SAIF, SAPV, Sequoia I, Sequoia II, Sequoia III and Tiger Global have provided their consent for filing the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus and to complete the initial public offer prior to December 31, 2013.

#### ***Other agreements***

##### ***12. Agreement for sale of assets dated March 29, 2011 between JD Global and our Company***

Our Company had entered into an agreement for sale of assets dated March 29, 2011 with JD Global. Pursuant to this agreement, our Company sold specified assets of our Company, including office appliances and furniture, computer and networking hardware and telecommunications equipment, to JD Global at their written down value on an 'as is where is' basis (the "Specified Assets"). The Specified Assets were installed by our Company at premises currently taken on lease and license basis by JD Global. The effective date of this agreement was February 14, 2011. As consideration for the sale, JD Global paid our Company an aggregate amount of ₹ 17,554,234.

##### ***13. Services agreement dated March 29, 2011 between JD Global and our Company***

Our Company had entered into a services agreement dated March 29, 2011 with JD Global. Pursuant to the services agreement, our Company had agreed to provide support services to JD Global including infrastructure facilities and functional workstations on a non-discriminatory basis. The services agreement shall remain in force for three years from February 14, 2011. As consideration for the support services, JD Global shall pay our Company a maximum fee of ₹ 1,350 million for each financial year which will comprise fees relating to provision of workstations and manpower on a monthly basis and management fees.

##### ***14. Trademark license agreement dated August 10, 2011 between JD USA and Our Company.***

Our Company had entered into a license agreement dated August 10, 2011 with JD USA. Pursuant to the license agreement, our Company had agreed to grant a non-exclusive, non-transferable, non-sub-licensable license to JD USA to use the 'Just Dial' brand name in relation to JD USA's business of providing voice based search services to customers based only in the territories of Canada and USA. The license agreement shall remain in force for 10 years. As consideration for the grant of license, JD USA shall pay our Company an annual license fee equal to 1% of its net revenue. The license agreement also provides that our Company shall continue to own all rights in the 'Just Dial' brand name which includes all rights, title and interest in relation to certain trademark applications and registrations and the common law rights in the trademark 'Just Dial'.

##### ***15. Sale/Share Transfer Agreement between our Company, JD Global and JD USA***

Our Company had entered into a sale/share transfer agreement dated July 21, 2011 with JD Global and JD USA ("Share Transfer Agreement") for the transfer of the entire shareholding of our Company in JD USA to JD Global. As on the date of the Share Transfer Agreement, JD USA was a wholly owned subsidiary of our Company with our Company holding 1,000 equity shares in JD USA constituting 100% of the outstanding common stock of JD USA. In terms of the Share Transfer Agreement, during fiscal 2012, JD Global paid an aggregate amount of ₹ 22.03 million (USD 495,000) to our Company, as consideration for the transfer of our Company's shareholding in JD USA, pursuant to a memorandum of understanding dated July 7, 2011 between our Company and JD Global. The consideration paid by JD Global to our Company is based on the fair market value ascertained through a valuation report dated May 10, 2011 prepared by a certified public accountant. Further, in terms of the Share Transfer Agreement, the loan amount of USD 2.22 million outstanding and payable by JD USA to our Company was discharged by JD Global within 120 days from the date of transfer of shares, i.e., July 22, 2011. Our Company has transferred its shareholding in JD USA to JD Global. The RBI had issued a letter dated July 27, 2011 to our Company regarding certain contraventions of FEMA Regulations, in relation to the remittance of funds made by our Company in favour of JD USA. For further details of the letter from the RBI, please see the section "Outstanding Litigation and Material Developments – Past Penalties" on page 343.

**Our Shareholders**

Our Company has 595 Shareholders as of the date of this Red Herring Prospectus. For further details regarding our Shareholders, please see the section “Capital Structure” on page 78.

**Financial and Strategic Partners**

Our Company does not have any financial or strategic partners.

**Competition**

For details of the competition faced by our Company, please see the section “Our Business – Competition” on page 148.

## OUR MANAGEMENT

### Board of Directors

Under the Articles of Association, our Company is required to have not less than three Directors and not more than 12 Directors. Our Company currently has eight Directors.

The following table sets forth details regarding the Board of Directors of our Company as of the date of filing this Red Herring Prospectus:

Name, Father's Name, Designation, Term, DIN, Occupation, Nationality and Address	Age (in years)	Other Directorships/Partnerships/Trusteeships
<p><b>B. Anand</b></p> <p><i>Father's name:</i> Balasundaram Ramachandran</p> <p><i>Designation:</i> Chairman and Independent Non-Executive Director</p> <p><i>Term:</i> Liable to retire by rotation</p> <p><i>DIN:</i> 02792009</p> <p><i>Occupation:</i> Service</p> <p><i>Nationality:</i> Indian</p> <p><i>Address:</i> D 814, Paradise, Raheja Vihar Powai, Mumbai 400 072</p>	49	<p><i>Other Directorships</i></p> <ol style="list-style-type: none"> <li>1. Future Ventures India Limited;</li> <li>2. Nagarjuna Oil Corporation Limited;</li> <li>3. Staples Future Office Products Private Limited; and</li> <li>4. TER Commodities Trading Private Limited.</li> </ol>
<p><b>V.S.S. Mani</b></p> <p><i>Father's name:</i> T. V. Chalam</p> <p><i>Designation:</i> Managing Director</p> <p><i>Term:</i> Five years from August 1, 2011</p> <p><i>DIN:</i> 00202052</p> <p><i>Occupation:</i> Business</p> <p><i>Nationality:</i> Indian</p> <p><i>Address:</i> 2502-B, 25<sup>th</sup> Floor, Oberoi Sky Heights, Plot no. 120, Lokhandwala Complex, Andheri (West), Mumbai 400 053</p>	47	<p><i>Other Directorships</i></p> <ol style="list-style-type: none"> <li>1. Just Dial Global Private Limited;</li> <li>2. Just Dial Inc., U.S.A.; and</li> <li>3. Superstar Ventures Private Limited.</li> </ol> <p><i>Trusteeships</i></p> <p>Just Dial Private Limited Employees Group Gratuity Scheme</p>
<p><b>Ramani Iyer</b></p> <p><i>Father's name:</i> T. V. Chalam</p> <p><i>Designation:</i> Non-Independent, Non-Executive Director</p>	44	<p><i>Other Directorships</i></p> <p>Just Dial Global Private Limited</p>

Name, Father's Name, Designation, Term, DIN, Occupation, Nationality and Address	Age (in years)	Other Directorships/Partnerships/Trusteeships
<p><i>Term:</i> Liable to retire by rotation</p> <p><i>DIN:</i> 00033559</p> <p><i>Occupation:</i> Business</p> <p><i>Nationality:</i> Indian</p> <p><i>Address:</i> 801-802, Building no. 6, Cedar 'B' Wing, Godrej Woodsman Estate, Hebbal Bellari Road, Kempapura, Next to Columbia Asia Hospital, Bengaluru 560 024</p>		
<p><b>V. Krishnan</b></p> <p><i>Father's name:</i> T. V. Chalam</p> <p><i>Designation:</i> Non-Independent, Executive Director</p> <p><i>Term:</i> Five years from August 1, 2011</p> <p><i>DIN:</i> 00034473</p> <p><i>Occupation:</i> Business</p> <p><i>Nationality:</i> Indian</p> <p><i>Address:</i> D-604 Anandlok Society Mayur Vihar Phase – 1 New Delhi 110 091</p>	42	<p><i>Other Directorships</i></p> <p>Just Dial Global Private Limited</p> <p><i>Trusteeships</i></p> <p>Just Dial Private Limited Employees Group Gratuity Scheme</p>
<p><b>Ravi Adusumalli</b></p> <p><i>Father's name:</i> Subbarao Adusumalli</p> <p><i>Designation:</i> Non-Independent, Non-Executive Director</p> <p><i>Term:</i> Liable to retire by rotation</p> <p><i>DIN:</i> 00253613</p> <p><i>Occupation:</i> Service</p> <p><i>Nationality:</i> American</p> <p><i>Address:</i> 741, Northland Drive, Salt Lake City, Utah 84103, U.S.A.</p>	37	<p><i>Other Directorships</i></p> <ol style="list-style-type: none"> <li>1. A2 Media Private Limited;</li> <li>2. Brainbees Solutions Private Limited;</li> <li>3. Cybernet-Slash Support Inc;</li> <li>4. Fatpipe Networks India Limited;</li> <li>5. Just Dial Global Private Limited;</li> <li>6. Le Travenues Technology Private Limited;</li> <li>7. MakeMy Trip (India) Private Limited;</li> <li>8. MakeMy Trip Limited (Mauritius);</li> <li>9. One97 Communications Limited;</li> <li>10. Proptiger Realty Private Limited;</li> <li>11. Robemall Apparels Private Limited;</li> <li>12. TV 18 HSN Holdings Limited; and</li> <li>13. Tv18 Home Shopping Network Limited.</li> </ol>
<p><b>Sanjay Bahadur</b></p>	50	<p><i>Other Directorships</i></p>

Name, Father's Name, Designation, Term, DIN, Occupation, Nationality and Address	Age (in years)	Other Directorships/Partnerships/Trusteeships
<p><b>Father's name:</b> Jagdish Bahadur</p> <p><b>Designation:</b> Independent, Non-Executive Director</p> <p><b>Term:</b> Liable to retire by rotation</p> <p><b>DIN:</b> 00032590</p> <p><b>Occupation:</b> Service</p> <p><b>Nationality:</b> Indian</p> <p><b>Address:</b> 3B-901/2, Green Acres, CHS Limited P.L. 325, Lokhandwala Complex Andheri (West), Mumbai, 400 053</p>		<ol style="list-style-type: none"> <li>1. Aaktech Constructions Private Limited;</li> <li>2. Building Envelope Systems India Limited;</li> <li>3. Dr. Fixit Institute of Structural Protection and Rehabilitation;</li> <li>4. NRCA Roofing India Private Limited; and</li> <li>5. Unitech Limited.</li> </ol> <p><i>Partnerships</i></p> <p>SB Consulting Services</p>
<p><b>Malcolm Monteiro</b></p> <p><b>Father's name:</b> Joseph Monteiro</p> <p><b>Designation:</b> Independent, Non-Executive Director</p> <p><b>Term:</b> Liable to retire by rotation</p> <p><b>DIN:</b> 00089757</p> <p><b>Occupation:</b> Service</p> <p><b>Nationality:</b> Indian</p> <p><b>Address:</b> 1701/3B, Green Acres Lokhandwala Complex, Andheri (West) Mumbai, 400 053</p>	59	<p><i>Other Directorships</i></p> <ol style="list-style-type: none"> <li>1. Blue Dart Express Limited; and</li> <li>2. DHL Express (Singapore) Private Limited</li> </ol>
<p><b>Shailendra Jit Singh</b></p> <p><b>Father's name:</b> Virendra Jit Singh</p> <p><b>Designation:</b> Non-Independent, Non-Executive Director</p> <p><b>Term:</b> Liable to retire by rotation</p> <p><b>DIN:</b> 01930079</p> <p><b>Occupation:</b> Service</p> <p><b>Nationality:</b> Indian</p>	36	<p><i>Other Directorships</i></p> <ol style="list-style-type: none"> <li>1. Accelyst Solutions Pte Ltd;</li> <li>2. Druva Software Private Limited;</li> <li>3. Flight Raja Travels Private Limited;</li> <li>4. Free Culture Pte Ltd;</li> <li>5. Mu Sigma Inc.;</li> <li>6. Pine Labs Private Limited;</li> <li>7. Practo Technologies Private Limited;</li> <li>8. SCIOinspire Inc.;</li> <li>9. Sequoia Capital India Advisors Private Limited; and</li> <li>10. Sourcebits Pte Ltd.</li> </ol>



<b>Name, Father's Name, Designation, Term, DIN, Occupation, Nationality and Address</b>	<b>Age (in years)</b>	<b>Other Directorships/Partnerships/Trusteeships</b>
<i>Address:</i> 3000, Sandhill Road, Suite 4-180 II Menlo Park California, CA 94025, USA		

### **Relationship between our Directors**

Except for V.S.S. Mani, Ramani Iyer and V. Krishnan, none of our Directors of our Company are related to each other. V.S.S. Mani, V. Krishnan and Ramani Iyer are brothers.

Two of our Directors, Ravi Adusumalli and Shailendra Jit Singh, have been nominated to the Board by our shareholders, SAIF and Sequoia I, respectively, pursuant to the amended and restated shareholders' agreement dated June 21, 2012 amongst our Company, our Promoters, SAIF, Tiger Global and Sequoia I, Sequoia II, Sequoia III, EGCS and SAPV (the "SHA"). The SHA will terminate on and from the date of filing of the Prospectus with the RoC. For further details, please see the section "History and Certain Corporate Matters – Summary of Key Agreements – Amended and restated shareholders' agreement dated June 21, 2012" on page 160.

### **Brief Biographies**

#### **1. B. Anand**

B. Anand is the Chairman and an Independent, Non-Executive Director of our Company. He was appointed as a Director of our Company on August 2, 2011. He holds a Bachelor's degree in Commerce from Nagpur University and is an associate member of the ICAI. He has approximately 26 years of experience in the fields of corporate finance, strategy and investment banking. He is currently the chief financial officer of Trafigura India Private Limited. He has previously worked with Future Group, Vedanta Resources plc, Motorola India Private Limited, Credit Lyonnais Bank SA, HSBC Bank plc, Infrastructure Leasing & Financial Services Limited and Citibank, N.A.

#### **2. V.S.S. Mani**

V.S.S. Mani is the founder, Managing Director and Chief Executive Officer of our Company and has been associated with our Company since its incorporation. V.S.S. Mani discontinued his pursuit of the Bachelor's degree in Commerce from University of Delhi and also undertook articleship under a member of the Institute of Chartered Accounts of India. A visionary and an experienced management professional, he has approximately 25 years of experience in the field of media and local search services. Prior to the incorporation of our Company, he co-founded Ask Me Services and has also worked with United Database India Private Limited. He is presently engaged in exploring possibilities for technological innovation of our Company's business and has been responsible for adapting our Company's business model to suit changing market conditions. He is also involved in the formulation of corporate strategy and planning, overall execution and management, and concentrates on the growth and diversification plans of our Company.

#### **3. Ramani Iyer**

Ramani Iyer is a Non-Independent, Non-Executive Director of our Company. He was appointed as a Director of our Company on October 28, 2005. He holds a Diploma in Hotel Management from Delhi Institute of Management & Services. He has been associated with our Company since its incorporation and has approximately 20 years of experience, working with our Company in the field of strategic planning and execution. Ramani Iyer is a co-founder of our Company and has played a key role with responsibilities including business development, business expansion, operations, strategic planning and execution. He was designated as a Non-Executive Director of our Company pursuant to a resolution dated July 27, 2011 passed by our Board.

**4. V. Krishnan**

V. Krishnan is a Non-Independent, Executive Director of our Company. He was appointed as a Director of our Company on October 28, 2005. He discontinued his pursuit of the Bachelor's degree in Commerce from University of Delhi. He has been associated with our Company since its incorporation and has approximately 20 years of experience, working in the field of strategic planning and execution. V. Krishnan is a co-founder of our Company and has played a key role with responsibilities including business development, business expansion, operations, strategic planning and execution.

**5. Ravi Adusumalli**

Ravi Adusumalli is a Non-Independent, Non-Executive Director of our Company. He was appointed as a Director of our Company on October 9, 2006. He holds a Bachelor's degree in Economics and Government from Cornell University, USA. He has approximately 17 years of experience in the field of finance and investment. He is currently a managing partner and heads the India office of SAIF Partners. Prior to joining SAIF Partners, he worked with Mobius Venture Capital.

**6. Sanjay Bahadur**

Sanjay Bahadur is an Independent, Non-Executive Director of our Company. He was appointed as a Director of our Company on August 2, 2011. He holds a Bachelor's degree in Civil Engineering from Delhi College of Engineering. He has approximately 29 years of experience in the field of construction. He is presently the chief executive officer of Pidilite Industries Limited for its Global Constructions and Chemicals division. He has previously worked with Larsen & Toubro Limited, Acons Construction Products Limited, Unitech Prefab Limited and ACC Concrete Limited.

**7. Malcolm Monteiro**

Malcolm Monteiro is an Independent, Non-Executive Director of our Company. He was appointed as a Director of our Company on August 2, 2011. He holds a Bachelor's degree in Electrical Engineering from the Indian Institute of Technology, Mumbai and a Post-Graduate degree in Business Management from the Indian Institute of Management, Ahmedabad. He is the chief executive officer of DHL Express, South Asia and a member of the DHL Asia Pacific Management Board. He is also a director on the board of Blue Dart Express Limited.

**8. Shailendra Jit Singh**

Shailendra Jit Singh is a Non-Independent, Non-Executive Director of our Company. He was appointed as a Director of our Company on June 21, 2012. He holds a Master's degree in Business Administration, with distinction, from Harvard Business School and a B. Tech in Chemical Engineering from the Indian Institute of Technology, Mumbai. He is also a Kauffman Fellow. He has approximately 13 years of experience in the field of investment and financial services. He is currently the Managing Director of Sequoia Capital India Advisors Private Limited. Prior to joining Sequoia Capital India Advisors Private Limited in 2006, he was a strategy consultant at Bain & Company, New York.

**Confirmations**

None of our Directors is or was a director of any listed company during the last five years preceding the date of filing of the Draft Red Herring Prospectus and the date of this Red Herring Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE.

None of our Directors is or was a director of any listed company which has been or was delisted from any recognised stock exchange in India.

## Terms of Appointment of the Executive Directors

### V.S.S. Mani

V.S.S. Mani was re-appointed as the Managing Director of our Company with effect from August 1, 2011 for a period of five years pursuant to a resolution passed by our Shareholders on August 2, 2011. He is also the Chief Executive Officer of our Company. The following are the terms of remuneration of V.S.S. Mani as the Managing Director of our Company with effect from August 1, 2012:

Particulars	Remuneration
Salary	Nil
Annual Increment	Nil
Perquisites	(a) Reimbursement of medical expenses incurred for himself and his family subject to a ceiling of ₹ 1 million in a year; (b) Rent-free accommodation subject to a ceiling of ₹ 900,000 per month, the same being subject to annual revision up to 10%; (c) Leave travel concession for himself and his family, once in a year; (d) Fees of club subject to a maximum of two clubs; and (e) Personal accident insurance cover not exceeding ₹ 25,000 per annum.

### V. Krishnan

V. Krishnan was re-appointed as a Whole Time Director of our Company with effect from August 1, 2011 for a period of five years pursuant to a resolution passed by our Shareholders on August 2, 2011. The following are the terms of remuneration of V. Krishnan as a Whole Time Director of our Company:

Particulars	Remuneration
Salary	₹ 6 million per annum.
Annual Increment	Up to 15% per annum
Perquisites	(a) Reimbursement of medical expenses incurred for himself and his family subject to a ceiling of one months' salary in a year or three months' salary over a period of three years; (b) Leave travel concession for himself and his family, once in a year; (c) Fees of club subject to a maximum of two clubs; and (d) Personal accident insurance cover not exceeding ₹ 25,000 per annum.

## Payment or benefit to Directors/ officers of our Company

The sitting fees/other remuneration paid to our Directors for Fiscal 2012 are as follows:

### 1. Remuneration to Executive Directors:

The aggregate value of remuneration paid for Fiscal 2012 to our Executive Directors are set forth in the table below:

Sr. No.	Name of the Director	Remuneration (In ₹ million)*
1.	V.S.S. Mani	9.59
2.	Ramani Iyer**	1.71
3.	V. Krishnan	9.72

\* The remuneration paid to the executive directors of our Company for Fiscal 2012 has not been derived from our Restated Summary Statements.

\*\* Ramani Iyer was designated as a Non-Executive Director of our Company pursuant to a resolution dated July 27, 2011 passed by our Board.

## 2. Remuneration to Non-Executive Directors:

The details of the sitting fees and other payments paid to the Non-Executive Directors of our Company during Fiscal 2012 are as follows:

Sr. No.	Name of Director	Sitting fees paid (In ₹ million)*
1.	Ravi Adusumalli	-
2.	Sanjay Bahadur	0.09
3.	Malcolm Monteiro	0.09
4.	B. Anand	0.09
5.	Ramani Iyer**	-
6.	Shailendra Jit Singh	-

\* The remuneration paid to the non-executive directors of our Company for Fiscal 2012 has not been derived from our Restated Summary Statements.

\*\* Ramani Iyer was designated as a Non-Executive Director of our Company pursuant to a resolution dated July 27, 2011 passed by our Board.

Except as stated in this section “Our Management” on page 164, no amount or benefit has been paid within the two preceding years or is intended to be paid or given to any of our Company’s officers including our Directors and key management personnel and other management personnel. None of the beneficiaries of loans, advances and sundry debtors are related to our Directors. Further, except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including our Directors, our key management personnel and other management personnel, are entitled to any benefits upon termination of employment.

No loans have been availed by our Directors or the key managerial personnel or other management personnel from our Company.

### Shareholding of Directors

The shareholding of our Directors as of the date of filing this Red Herring Prospectus is set forth below:

Name of Director	Number of Equity Shares held
V.S.S. Mani	21,331,669*
Ramani Iyer	2,033,285
V. Krishnan	2,047,509

\* Includes 580,836 Equity Shares held jointly with V. Krishnan which were transferred by V.S.S. Mani to joint-holding on March 25, 2011.

### Borrowing Powers of Board

In accordance with the Articles of Association, the Board may, from time to time, at its discretion, by a resolution passed at a meeting of the Board, accept deposits from members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purpose of our Company. Provided however, where the money to be borrowed together with the money already borrowed (apart from temporary loan obtained from our Company’s bankers in the ordinary course of business) exceeds the aggregate of the paid up capital of our Company and its free reserves (not being reserves set apart for any specific purpose) the Board shall not borrow such moneys without the consent of our Company in a General Meeting.

### Corporate Governance

The provisions of the Listing Agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to our Company immediately upon the listing of the Equity Shares with the Stock Exchanges. Our Company believes that it is in compliance with the requirements of the applicable regulations, including the Listing Agreement with the Stock Exchanges and the SEBI Regulations, in respect of corporate governance including constitution of the Board and committees thereof. The corporate governance framework is

based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Company's Board of Directors has been constituted in compliance with the Companies Act and the Listing Agreement with Stock Exchanges and in accordance with best practices relating to corporate governance. The Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas. Our Company's executive management provides the Board of Directors with detailed reports on its performance periodically.

Currently the Board has eight Directors, of which the Chairman is a Non-Executive Director. In compliance with the requirements of Clause 49 of the Listing Agreement, we have two Executive Directors and six Non-Executive Directors, including three independent Directors, on our Board.

## **Committees of the Board**

### **1. *Audit Committee***

The members of the Audit Committee are:

1. B. Anand, *Chairman*;
2. Sanjay Bahadur;
3. Malcolm Monteiro; and
4. Ravi Adusumalli

The Audit Committee was constituted by a meeting of our Board of Directors held on August 2, 2011. The Board at its meeting held on May 11, 2012 reconstituted the Audit Committee by appointing Ravi Adusumalli in place of Sandeep Singhal. The scope and function of the Audit Committee is in accordance with section 292A of the Companies Act and Clause 49 of the Listing Agreement and its terms of reference include the following:

- a. Overseeing our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b. Recommending to the Board of Directors, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
- c. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d. Reviewing with the management the annual financial statements before submission to the Board of Directors for approval, with particular reference to:
  - (i) Matters required to be included in the director's responsibility statement to be included in the Board of Directors' report in terms of clause (2AA) of section 217 of the Companies Act;
  - (ii) Changes, if any, in accounting policies and practices and reasons for the same;
  - (iii) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (iv) Significant adjustments made in the financial statements arising out of audit findings;
  - (v) Compliance with listing and other legal requirements relating to financial statements;
  - (vi) Disclosure of any related party transactions;
  - (vii) Qualifications in the draft audit report.
- e. Reviewing with the management the quarterly financial statements before submission to the Board of Directors for approval;
- f. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board of

Directors to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the initial public offer of our Company;

- g. Reviewing with the management the performance of statutory and internal auditors and the adequacy of internal control systems;
- h. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- i. Discussion with internal auditors any significant findings and follow up there on;
- j. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board of Directors;
- k. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as have post-audit discussion to ascertain any area of concern;
- l. To look into the reasons for substantial defaults in payments to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- m. To review the functioning of the whistle blowing mechanism, in case the same is existing;
- n. Approval of appointment of the chief financial officer (i.e. the whole time finance director or any other person heading the finance function or discharging that function) after assessing, amongst others, the qualifications, experience and background of the candidate; and
- o. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The powers of the Audit Committee shall include the power to:

- a. Investigate any activity within its terms of reference;
- b. Seek information from any employee;
- c. Obtain outside legal or other professional advice; and
- d. Secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
- c. Management letters/ letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.

The Audit Committee is required to meet at least four times in a year under Clause 49 of the Listing Agreement.

## **2. Compensation/ Remuneration Committee**

The members of the Compensation/ Remuneration Committee are:

1. Malcolm Monteiro, *Chairman*;
2. Ravi Adusumalli; and
3. Sanjay Bahadur.

The Compensation/ Remuneration Committee was constituted by a meeting of our Board of Directors held on August 2, 2011. The terms of reference of the Compensation/ Remuneration Committee include the following:

- a. To fix and finalise remuneration including salary, perquisites, benefits, bonuses and allowances;
- b. Fixed and performance linked incentives along with the performance criteria;
- c. Increments and promotions;
- d. Service contracts, notice period, severance fees;
- e. Ex-gratia payments; and
- f. To formulate detailed terms and conditions of employee stock option schemes including details pertaining to quantum of options to be granted, conditions for lapsing of vested options, exercise period, adjustments for corporate actions and procedure for cashless exercise.

## **3. Shareholders/Investors Grievance Committee**

The members of the Shareholders/Investors Grievance Committee are:

1. Sanjay Bahadur, *Chairman*;
2. V.S.S. Mani; and
3. Ramani Iyer.

The Shareholders/Investors Grievance Committee was constituted by our Board of Directors at their meeting held on August 2, 2011. This Committee is responsible for the redressal of shareholder grievances. The terms of reference of the Shareholders/Investors Grievance Committee of our Company include the following:

- a. To approve requests for transfer and transmission of shares;
- b. To approve dematerialization and rematerialization of shares;
- c. To consider and approve, split, consolidation and issuance of duplicate shares;
- d. To review from time to time the overall working of the secretarial department of our Company relating to the shares of our Company and the functioning of the share transfer agent and other related matters.

## **Interest of Directors**

All of our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board of Directors or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by or allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Offer. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Our Directors have no interest in any property acquired or proposed to be acquired by our Company within two years from the date of this Red Herring Prospectus. Our Company has entered into a leave and license agreement

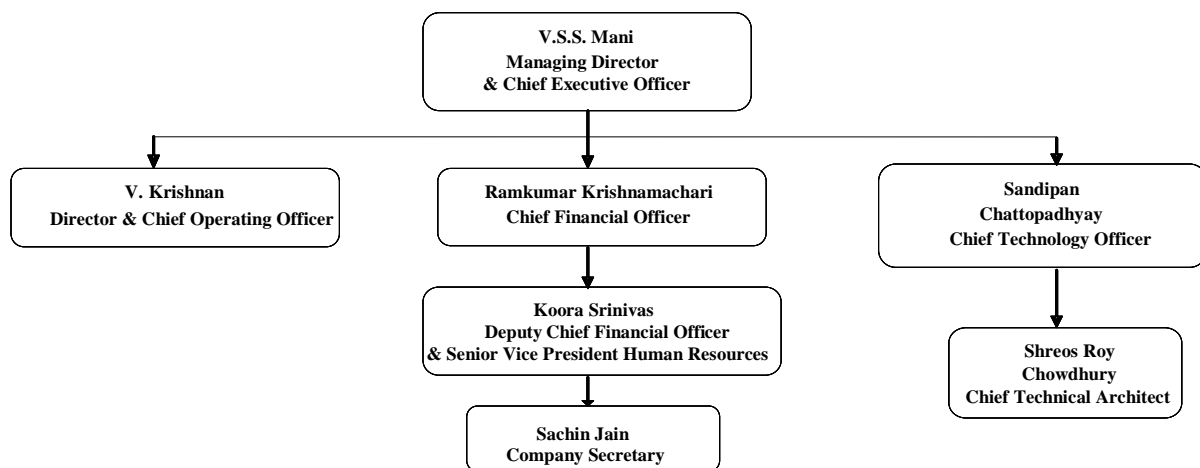
dated March 15, 2012 with V.S.S. Mani, our Director and Anita Mani for the premises situated at unit no. 501-B, 5<sup>th</sup> Floor, Building ‘M’, Palm Court Complex, Link Road, Malad (West), Mumbai for a period of 46 months and 17 days from March 15, 2012 to January 31, 2016. In terms of this leave and license agreement, our Company has recorded as rent, an aggregate amount of ₹ 4.12 million during the nine months period ended December 31, 2012 to V.S.S. Mani and Anita Mani. Our Company is currently paying ₹ 479,981 per month for the period between February 15, 2013 to January 14, 2014.

Except as stated in the section “Related Party Transactions” on page 185 and described herein to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

#### Changes in the Board of Directors during the last three years:

Name	Date of Appointment/ Change/ Cessation	Reason
Anita Mani	July 22, 2011	Resignation
Feroz Dewan	July 22, 2011	Resignation
Ramani Iyer	August 1, 2011	Designated as Non-Executive Director
V.S.S. Mani	August 1, 2011	Re-appointment as Managing Director
V. Krishnan	August 1, 2011	Re-appointment as Whole Time Director
B. Anand	August 2, 2011	Appointment as Independent Director
Sanjay Bahadur	August 2, 2011	Appointment as Independent Director
Malcolm Monteiro	August 2, 2011	Appointment as Independent Director
Sandeep Singhal	May 7, 2012	Resignation
Shailendra Jit Singh	June 21, 2012	Appointment as additional director
Shailendra Jit Singh	July 31, 2012	Appointment as director

#### Management Organisation Structure



#### Key Management Personnel and Other Management Personnel

The details of the key management personnel and other management personnel as of the date of this Red Herring Prospectus are as follows:

##### 1. V.S.S. Mani

For details, please see the section “Our Management – Brief Biographies” on page 167.



## **2. V. Krishnan**

For details, please see the section “Our Management – Brief Biographies” on page 167.

## **3. Ramkumar Krishnamachari**

Ramkumar Krishnamachari, aged 46 years, is the Chief Financial Officer of our Company. He has been associated with our Company since August 8, 2010. He is a member of the ICAI and the Institute of Cost and Works Accountants of India. He is also a certified as a Certified Public Accountant by the State Board of Accountancy, Delaware, U.S.A. He is also a CFA Charter Holder from the CFA Institute, U.S.A. He has approximately 22 years of experience in the field of finance and accounting. Prior to joining our Company he worked with Royal Sundaram General Insurance Allied Company Limited. His remuneration during Fiscal 2012 was ₹ 6.68 million. His term of office expires in the year 2025.

## **4. Sandipan Chattopadhyay**

Sandipan Chattopadhyay, aged 40 years, is the Chief Technology Officer of our Company. He has been associated with our Company since January 1, 2009. He holds a Bachelor’s degree in Statistics from the Indian Statistical Institute, Kolkata and Post-Graduate Diploma in Computer Aided Management from Indian Institute of Management, Kolkata. He has approximately 16 years of experience in the field of technology. Prior to joining our Company he was associated with E Dot Solutions India Private Limited. His remuneration during Fiscal 2012 was ₹ 6.62 million. His term of office expires in the year 2031.

## **5. Koora Srinivas**

Koora Srinivas, aged 37 years, is the Deputy Chief Financial Officer of our Company. He has been associated with our Company since December 1, 1999. He holds a Bachelor’s degree in Commerce from Osmania University, Hyderabad and a Master’s degree in Business Administration from Swami Ramanand Teerth Marathwada University, Nanded. He has approximately 13 years of experience in the field of finance and accounting. His remuneration during Fiscal 2012 was ₹ 6.07 million. His term of office expires in the year 2034.

## **6. Shreos Roy Chowdhury**

Shreos Roy Chowdhury, aged 40 years, is the Chief Technical Architect of our Company. He has been associated with our Company since September 21, 2010. He holds a Master’s degree in Science (Physics) from Indian Institute of Technology, Kanpur. He has approximately 16 years of experience in the field of technology. Prior to joining our Company he worked with Reliance Big Entertainment Private Limited. His remuneration during Fiscal 2012 was ₹ 4.49 million. His term of office expires in the year 2031.

## **7. Sachin Jain**

Sachin Jain, aged 36 years, is the Company Secretary and Compliance Officer of our Company. He has been associated with our Company since November 15, 2010. He is a qualified company secretary and a member of the Institute of Company Secretaries of India, New Delhi. He also holds a Bachelor’s degree in Commerce and Law from Vikram University, Ujjain. He has approximately 11 years of experience. Prior to joining our Company he worked with DB Hospitality Private Limited. His remuneration during Fiscal 2012 was ₹ 2.07 million. His term of office expires in the year 2035.

The remuneration of the key management personnel and other management personnel includes basic salary, house rent allowance, other allowances, perquisites and commissions. The details of the remuneration paid to our key management personnel and other management personnel, as disclosed above, have not been derived from our Restated Summary Statements.

Except for V.S.S. Mani and V. Krishnan, none of the key management personnel or the other management personnel are related to each other. V.S.S. Mani and V. Krishnan are brothers.

All our key management personnel and other management personnel are permanent employees of our Company.

### Shareholding of Key Management Personnel and Other Management Personnel

The shareholding of the key management personnel and other management personnel as of the date of filing this Red Herring Prospectus is set forth below:

Name of key management personnel and other management personnel	Number of Equity Shares held
V.S.S. Mani	21,331,669*
V. Krishnan	2,047,509
Ramkumar Krishnamachari	54,393
Sandipan Chattopadhyay	525,520
Koora Srinivas	136,522
Shreos Roy Chowdhury	10,500
Sachin Jain	1,200

\*Includes 580,836 Equity Shares held jointly with V. Krishnan which were transferred by V.S.S. Mani to joint-holding on March 25, 2011.

### Bonus or profit sharing plan of the Key Management Personnel and Other Management Personnel

Our key management personnel and other management personnel are paid performance incentive pay based on certain performance parameters as decided by our Company.

The following table sets forth the details of the incentives currently paid by our Company to its key management personnel and other management personnel:

Name of key management personnel	Incentive (per annum)
V.S.S. Mani	0.50% of the net profit of our Company
V. Krishnan	0.75% of the net profit of our Company
Sandipan Chattopadhyay	0.04% on the national collections of our Company
Ramkumar Krishnamachari	0.04% on the national collections of our Company
Koora Srinivas	0.092% on the national collections of our Company
Shreos Roy Chowdhury	0.025% on the national collections of our Company

None of the other key management personnel and other management personnel is entitled to any profit sharing plan.

### Interests of key management personnel and other management personnel

The key management personnel and other management personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business and the employee stock options or equity shares held, if any.

Except as disclosed, none of the key management personnel or the other management personnel have been paid any consideration of any nature from our Company, other than their remuneration.

### Changes in the key management personnel and other management personnel

The changes in the key management personnel and other management personnel in the last three years are as follows:

Name	Designation	Date of change	Reason for change
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<b>Name</b>	<b>Designation</b>	<b>Date of change</b>	<b>Reason for change</b>
Ramkumar Krishnamachari	Chief Financial Officer	August 8, 2010	Appointment
Shreos Roy Chowdhury	Chief Technical Architect	September 21, 2010	Appointment
Sachin Jain	Company Secretary	November 15, 2010	Appointment
Subhanker Nag Sarker	President, New Business Initiatives group	November 16, 2010	Resignation
Ramani Iyer	Executive Director	August 1, 2011	Designation changed from executive director to non-executive director due to which he ceased to be key management personnel

### **Employee Stock Option Plan**





For details of the employee stock option plan, please see the section “Capital Structure – Employee Stock Option Plan” on page 93.

### **Payment or Benefit to officers of our Company**

Except as stated otherwise in this Red Herring Prospectus, no non-salary amount or benefit has been paid or given or is intended to be paid or given to any of our Company’s employees including the key managerial personnel and other management personnel and our Directors.

## OUR PROMOTERS AND PROMOTER GROUP

V.S.S. Mani, Anita Mani, Ramani Iyer and V. Krishnan are the Promoters of our Company.

	<p>V.S.S. Mani, aged 47 years, is the Managing Director and Chief Executive Officer of our Company. He is a resident Indian national. For further details, please see the section “Our Management” on page 164.</p> <p>His driving license number is MH02 20110076113. His passport number is Z2334960. He does not hold a voters identification card.</p>
	<p>Anita Mani, aged 44 years, is a former Director of our Company. She holds a Bachelor’s degree in History from University of Delhi. She has been associated with our Company since its incorporation and has approximately 20 years of experience, working with our Company in the field of general management. She is presently a director of our Group Companies, JD Global and Superstar Ventures Private Limited.</p> <p>Her passport number is F1640115. Her voter identification card number is ACC2071645. She does not have a driving license. Her address is at 2502-B, 25<sup>th</sup> Floor, Oberoi Sky Heights, Plot no. 120, Lokhandwala Complex, Andheri (West), Mumbai 400 053.</p>
	<p>Ramani Iyer, aged 44 years, is a Non-Independent, Non-Executive Director of our Company. He is a resident Indian national. For further details, please see the section “Our Management” on page 164.</p> <p>His driving license number is KA-04 20110008111. His voter identification card number is SOH0806810. His passport number is Z2343109.</p>
	<p>V. Krishnan, aged 42 years, is a Non-Independent, Executive Director of our Company. He is a resident Indian national. For further details, please see the section “Our Management” on page 164.</p> <p>His driving license number is DL-0719930057358. His voter identification card number is SFJ1264332. His passport number is E6864830.</p>

Our Company confirms that the permanent account number, bank account number and passport number of our Promoters have been submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus with them.

### Interests of Promoters and Common Pursuits

Our Promoters are interested in our Company to the extent of their respective shareholding. For details on the shareholding of our Promoters in our Company, please see the section “Capital Structure” on page 78.

Further, our Promoters who are also our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a Committee thereof as well as to the extent of other remuneration, reimbursement of expenses payable to them. For further details please see the section “Our Management” on page 164.

Further, our Promoters are also directors on the boards, or are members, or are partners, of certain Promoter Group entities and may be deemed to be interested to the extent of the payments made by our Company, if any, to these Promoter Group entities. For the payments that are made by our Company to certain Promoter Group entities,

please see the section “Related Party Transactions” on page 185.

Our Company has entered into a leave and license agreement dated March 15, 2012 with two of our Promoters, V.S.S. Mani and Anita Mani for the premises situated at unit no. 501-B, 5<sup>th</sup> Floor, Building ‘M’, Palm Court Complex, Link Road, Malad (West), Mumbai for a period of 46 months and 17 days from March 15, 2012 to January 31, 2016. In terms of this leave and license agreement, our Company has recorded as rent, an aggregate amount of ₹ 4.12 million during the nine months period ended December 31, 2012 to V.S.S. Mani and Anita Mani. Our Company is currently paying ₹ 479,981 per month for the period between February 15, 2013 to January 14, 2014. Further, our Company has also entered into: (i) a licensing arrangement with JD USA for the use of our “Just Dial” brand; (ii) a services agreement with JD Global; (iii) a sale/share transfer agreement with JD Global and JD USA; and (iv) an agreement for sale of assets with JD Global. For further details of these agreements, please see “History and Certain Corporate Matters – Summary of Key Agreements – Trademark license agreement dated August 10, 2011 between JD USA and our Company”, “History and Certain Corporate Matters – Summary of Key Agreements – Services agreement dated March 29, 2011 between JD Global and our Company”, “History and Certain Matters – Summary of Key Agreements – Sale/Share Transfer Agreement between our Company, JD Global and JD USA” and “History and Certain Matters – Summary of Key Agreements – Agreement for sale of assets dated March 29, 2011 between JD Global and our Company” on page 162. Other than as stated above, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of the Draft Red Herring Prospectus, in which any of our Promoters is directly or indirectly interested and no payments have been made to our Promoters in respect of the contracts, agreements or arrangements which are proposed to be made with any of our Promoters including the properties purchased by our Company other than in the normal course of business.

Further, our Promoters are also interested in our Group Companies JD Global and JD USA, which are involved in activities similar to those conducted by our Company. For further details, please see the section “Our Group Companies” on page 181. Our Company will adopt the necessary procedures and practices as permitted by law to address any conflict of interest as and when it may arise. Please see the section “Risk Factors – Our Promoters have interests in entities which are in the same line of business as that of our Company” on page 19.

#### **Payment of benefits to our Promoters**

Except as stated in the section “Related Party Transactions” on page 185, there has been no payment of benefits to our Promoters during the two years preceding the filing of the Draft Red Herring Prospectus.

#### **Confirmations**

Further none of our Promoters have been declared a wilful defaulter by the RBI or any other government authority and there are no violations of securities laws committed by any of our Promoters in the past and no proceedings for violation of securities laws are pending against them.

#### **Companies with which our Promoters have disassociated in the last three years**

Our Promoters have not disassociated from any company during the three years preceding the date of filing of the Draft Red Herring Prospectus with SEBI.

#### **Change in the management and control**

There has not been any change in the management or control of our Company.

#### **The Promoter Group**

In addition to our Promoters named above, the following individuals and entities form a part of the Promoter Group:

**1. Natural persons who are part of the Promoter Group**

The natural persons who are part of the Promoter Group (due to their relationship with our Promoters), other than our Promoters, are as follows:

<b>Name of the Promoter</b>	<b>Name of the Relative</b>	<b>Relationship with the Promoter</b>
V.S.S. Mani	Meenakshi Chalam	Mother
	Vijayalakshmi Shankar	Sister
	Arjun Iyer	Son
	Manasi Iyer	Daughter
	Velachirayil Narayana Narayanan Pillai	Father of spouse
	Manammal Kuttiamma Vijayam	Mother of spouse
	Ajit Narayan	Brother of spouse
Anita Mani	Velachirayil Narayana Narayanan Pillai	Father
	Manammal Kuttiamma Vijayam	Mother
	Ajit Narayan	Brother
	Arjun Iyer	Son
	Manasi Iyer	Daughter
	Meenakshi Chalam	Mother of spouse
	Vijayalakshmi Shankar	Sister of spouse
Ramani Iyer	Meenakshi Chalam	Mother
	Shilpa Ramani	Spouse
	Vijayalakshmi Shankar	Sister
	Srika Ramani	Daughter
	Trishikha Iyer	Daughter
	B.P. Ramesh	Father of spouse
	Yashoda Ramesh	Mother of spouse
	Sheetal Ramesh	Sister of spouse
	Shruthi Ramesh	Sister of spouse
V. Krishnan	Meenakshi Chalam	Mother
	Eshwary Krishnan	Spouse
	Vijayalakshmi Shankar	Sister
	Siddharth Krishnan	Son
	Malvika Krishnan	Daughter
	S.S.A. Iyer	Father of spouse
	Lalitha Iyer	Mother of spouse
	Arthi Iyer	Sister of spouse
	Swati Iyer	Sister of spouse

**2. Corporate entities forming part of the Promoter Group**

- a. Superstar Ventures Private Limited;
- b. JD Global; and
- c. JD USA.

## OUR GROUP COMPANIES

Unless otherwise specified, all information in this section is as of the date of this Red Herring Prospectus.

**Our Group Companies are as follows:**

### 1. Just Dial Global Private Limited (“JD Global”)

#### *Corporate Information*

JD Global was incorporated on March 18, 2010, in Mumbai. JD Global is engaged in the business of providing local search services on various businesses, products and services in Canada and USA through its wholly owned subsidiary JD USA. The High Court of Bombay, pursuant to an order dated October 14, 2011, approved a scheme of arrangement for the demerger of activities and operations pertaining to IT-related testing and other related services of our Company to JD Global with effect from August 1, 2011. For further details of the scheme of arrangement, please see the section “History and Certain Corporate Matters - Scheme of Arrangement between our Company, JD Global and their respective shareholders and creditors” on page 157.

#### *Interest of our Promoters*

Name	No. of equity shares held	Percentage of shareholding (%)
V. S. S. Mani	444,215*	39.48
Anita Mani	10,792	0.96
V. Krishnan	46,745	4.15
Ramani Iyer	41,175	3.66
<b>Total</b>	<b>542,927</b>	<b>48.25</b>

\* Includes 8,356 equity shares held jointly with V. Krishnan.

#### *Financial Performance*

*(₹ in million, except per share data)*

Sr. No.	Particulars	For the year ended		
		March 31, 2012	March 31, 2011	March 31, 2010
1.	Equity Capital	2.07	2.07	6.75
2.	Reserves (excluding revaluation reserves)	415.07	71.09	-
3.	Income including other income	36.10	1.35	-
4.	Profit/(Loss) after tax	(238.49)	(97.17)	(0.37)
5.	Earnings per share	(1,153.14)	(135.94)	(126.63)
6.	Net asset value per share	2,016.95	353.72	10.00

### 2. Just Dial Inc., U.S.A. (“JD USA”)

#### *Corporate Information*

JD USA was incorporated on November 13, 2009 in Delaware, USA. Pursuant to a certificate of merger effective from December 31, 2009 and the agreement and plan of merger dated December 29, 2009, JD USA merged with wholly owned subsidiary of our Company, Just Dial Inc., Florida, which was incorporated on April 25, 2006 in Florida, USA. Consequent to this merger, Just Dial Inc., Florida ceased to exist and JD USA became a wholly owned subsidiary of our Company. JD USA is engaged in the business of providing infrastructure support services to the customers of JD Global in U.S.A., which includes arranging lease and telephone lines and providing communication related and database procurement services. JD USA ceased to be our wholly owned subsidiary from July 22, 2011 due to our Company’s entire shareholding in JD USA being transferred to JD Global in accordance with a sale/share transfer agreement dated July 21, 2011 between our Company, JD Global and JD

USA. JD Global paid an aggregate amount of ₹ 22.03 million (USD 495,000) during fiscal 2012 to our Company as consideration for the transfer of our Company's shareholding in JD USA. For further details, please see the section "History and Certain Corporate Matters – Sale/Share Transfer Agreement between our Company, JD Global and JD USA" on page 162.

### *Interest of our Promoters*

JD USA is a wholly owned subsidiary of JD Global. Our Promoters indirectly hold 48.25% of JD USA.

### *Financial Performance*

*(In US\$, except share data)*

Sr. No.	Particulars	For the year ended		
		March 31, 2012	March 31, 2011	March 31, 2010
1.	Equity Capital	485,000	485,000	485,000
2.	Reserves (excluding revaluation reserves)	(400,223)	(466,510)	(437,849)
3.	Income including other income	2,615,818	535,751	-
4.	Profit/(Loss) After Tax	66,287	(28,661)	(62,885)
5.	Earnings Per Share	66.29	(28.66)	(62.89)
6.	Net asset value per share	84.78	18.49	47.15

### **3. Superstar Ventures Private Limited ("SVPL")**

#### *Corporate Information*

SVPL was incorporated on January 12, 2010, in Mumbai. SVPL has not commenced operations and proposes to engage in the business of trading in goods and commodities on ready or forward basis, commission agents, buying and selling agents, brokers, importers, exporters and to act as manufacturers' representatives.

#### *Interest of our Promoters*

Name	No. of shares held	Percentage of shareholding (%)
V. S. S. Mani	5,000	50.00
Anita Mani	5,000	50.00
<b>Total</b>	<b>10,000</b>	<b>100.00</b>

#### *Financial Performance*

*(₹ in million)*

Sr. No.	Particulars	For the year ended		
		March 31, 2012	March 31, 2011	March 31, 2010
1.	Equity Capital	0.10	0.10	0.10
2.	Reserves and surplus (excluding revaluation reserves)	(0.02)	(0.01)	(0.01)
3.	Income including other income	-	-	-
4.	Profit/(Loss) After Tax	-	-	-
5.	Earnings Per Share	-	-	-
6.	Net asset value per share	8.38	9.00	9.50



#### 4. **Just Dial Private Limited Employees Group Gratuity Scheme (“JDPL Gratuity Scheme”)**

##### ***Corporate Information***

JDPL Gratuity Scheme was formed vide deed dated May 15, 2002 for the purpose of making provision for gratuity payments to the employees of our Company subject to the terms and conditions of the deed and rules thereof.

##### ***Interest of our Promoter***

V.S.S. Mani and V. Krishnan are the trustees of JDPL Gratuity Scheme.

##### ***Financial Performance***

(₹ in million)

Sr. No.	Particulars	For the year ended		
		March 31, 2012	March 31, 2011	March 31, 2010
1.	LIC Group Gratuity Fund	41.01	29.10	12.77
2.	Cash in bank	0.17	0.12	7.07
3.	Trust Fund Account	41.03	29.19	19.46
4.	Gratuity payable to Employees	0.15	0.03	0.38

##### **Group Companies with negative networth, under winding up or which have become a sick industrial company**

None of the entities forming part of Group Companies is a sick company under the meaning of SICA and none of them are under winding up. Further, none of our Group Companies has a negative networth.

##### **Nature and Extent of Interest of Group Companies**

###### ***(a) In the promotion of our Company***

None of our Group Companies have any interest in the promotion of our Company.

###### ***(b) In the properties acquired or proposed to be acquired by our Company in the past two years before filing the Draft Red Herring Prospectus with SEBI***

None of our Group Companies is interested in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of the Draft Red Herring Prospectus.

###### ***(c) In transactions for acquisition of land, construction of building and supply of machinery***

None of our Group Companies is interested in any transactions for the acquisition of land, construction of building or supply of machinery.

##### **Common Pursuits amongst the Group Companies and Associate Companies with our Company**

JD Global and JD USA are engaged in activities similar to the business of our Company. However, JD Global and JD USA provides local search services in Canada and USA whilst our Company provides local search services in India. Our Company will adopt the necessary procedures and practices as permitted by law to address any conflict of interest as and when it may arise. Except as stated above, there are no common pursuits amongst any of our Group Companies and our Company.

##### **Related Business Transactions within the Group Companies and Significance on the Financial Performance of our Company**

For details, please see the section “Related Party Transactions” on page 185.

**Sale/Purchase between Group Companies, Subsidiaries and Associate Companies**

For details, please see the section “Related Party Transactions” on page 185.

**Business Interest of Group Companies and Associate Companies in our Company**

Except for the trademark license agreement between JD USA and our Company and the services agreement between JD Global and our Company, none of our Group Companies have any business interest in our Company. For details, please see the section “History and Certain Corporate Matters – Trademark license agreement dated August 10, 2011 between JD USA and our Company” and “History and Certain Matters – Services Agreement dated March 29, 2011 between JD Global and our Company” on page 162.

**Defunct Group Companies**

None of our Group Companies remain defunct and no application has been made to the registrar of companies for striking off the name of any of our Group Companies, during the five years preceding the date of filing the Draft Red Herring Prospectus with SEBI. None of our Group Companies fall under the definition of sick companies under SICA and none of them is under winding up.

**Public issue or rights issue**

None of our Group Companies has made any public or rights issue in the last three years preceding the date of filing this Red Herring Prospectus. Further, none of our Group Companies are listed on any stock exchanges.

## **RELATED PARTY TRANSACTIONS**

For details of the related party disclosures, as per the requirements under Accounting Standard 18 “Related Party Disclosures” issued by the Institute of Chartered Accountants in India, please see the sections “Financial Statements – Annexure XX – Restated Unconsolidated Statement of Related Party Transactions” and “Financial Statements – Annexure XVIII – Restated Consolidated Statement of Related Party Transactions” on pages 256 and 317, respectively.

## DIVIDEND POLICY

The declaration and payment of dividends, if any, will be recommended by our Board of Directors and approved by the shareholders of our Company, in their discretion, subject to the provisions of the Articles of Association and the Companies Act. The dividends, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements, contractual restrictions and overall financial position of our Company. Our Company has no formal dividend policy. However, subject to aforementioned factors our Company may consider declaring and paying dividends in the future. Any amounts paid as dividends in the past are not necessarily indicative of our Company's future dividend policy or dividend amounts. The dividends declared by our Company during the last five fiscal years are detailed in the following table:

### 1. *Equity Shares:*

Particulars	Fiscal 2008
Face value per Equity Share (₹)	10
Dividend Paid (₹ in million)	1.71
Rate of Dividend (%)	20.0
Dividend Distribution Tax (₹ in million)	0.29

Our Company has not declared a dividend (₹ 0) on the Equity Shares during Fiscals 2009, 2010, 2011 and 2012.

### 2. *Preference Shares:*

#### 2.1. *Preference Shares Series A*

Particulars	Fiscal 2008
Face value per Preference Share (₹)	10
Dividend Paid (in ₹ million)	0.51
Rate of Dividend (%)	20.1
Dividend Distribution Tax (₹ in million)	0.09

Our Company has paid dividend of ₹ 0 on Preference Shares Series A during Fiscals 2009, 2010, 2011 and 2012.

#### 2.2. *Preference Shares Series B*

Particulars	Fiscal 2008
Face value per Preference Share (₹)	10
Dividend Paid (In ₹ million)	-*
Rate of Dividend (%)	20.1
Dividend Distribution Tax (₹ in million)	-*

\* indicates amount less than ₹0.01 million

Our Company has paid dividend of ₹ 0 on Preference Shares Series B during Fiscals 2009, 2010, 2011 and 2012.

#### 2.3. *Preference Shares Series C*

Our Company has paid dividend of ₹ 0 on Preference Shares Series C.

## SECTION V: FINANCIAL INFORMATION

### FINANCIAL STATEMENTS

Restated Unconsolidated Summary Statements of Assets and Liabilities as at December 31, 2012, March 31, 2012, 2011, 2010, 2009 and 2008 and Profits and Losses and Cash Flows for nine months period ended December 31, 2012 and for each of the years ended March 31, 2012, 2011, 2010, 2009 and 2008 for Just Dial Limited (collectively the “Restated Unconsolidated Summary Statements”)

#### **Auditors' report as required by Part II of Schedule II to the Companies Act, 1956**

The Board of Directors  
Just Dial Limited  
Palm Court, Building-M,  
501/B, 5<sup>th</sup> Floor,  
Link Road, Malad (West),  
Mumbai – 400 064

Dear Sirs,

1. We have examined the attached restated unconsolidated financial information of Just Dial Limited (the “Company”) as at December 31, 2012, March 31, 2012, 2011, 2010, 2009 and 2008 and for nine months period ended December 31, 2012 and for each of the years ended March 31, 2012, 2011, 2010, 2009 and 2008 for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed Initial Public Offer (“IPO”). Such financial information has been approved by the Board of Directors and prepared by the Company in accordance with the requirements of:
  - a. paragraph B(1) of Part II of Schedule II to the Companies Act, 1956 (the “Act”); and
  - b. relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the “Regulations) issued by the Securities and Exchange Board of India (“SEBI”) on August 26, 2009, as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992.
2. We have examined such restated financial information taking into consideration:
  - a. the terms of our engagement agreed with you vide our engagement letter dated December 6, 2012, requesting us to carry out work on such financial information, proposed to be included in the offer document of the Company in connection with its proposed IPO; and
  - b. the Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India.
3. The Company proposes to make an IPO as offer for sale by certain shareholders of equity shares of Rs.10 each at such premium, arrived at by the 100% book building process (referred to as the “Issue”), as may be decided by the Board of Directors of the Company.

#### **Financial information as per audited financial statements:**

4. The restated unconsolidated financial information has been compiled by the management from:
  - a) the audited unconsolidated interim financial statements of the Company as at and for the nine months period ended December 31, 2012, which have been audited by us;
  - b) the audited unconsolidated financial statements of the Company as at and for each of the years ended March 31, 2012, 2011 and 2010 which have been approved by the board of directors and audited by us, and other financial and other records of the Company, to the extent considered necessary, for the presentation of the restated unconsolidated summary statements under the

requirements of the revised schedule VI of the Act in relation to the years ended March 31, 2011 and 2010;

- c) the audited unconsolidated financial statements of the Company as at and for each of the years ended March 31, 2009 and 2008 prepared in accordance with accounting principles generally accepted in India at the relevant time and originally approved by the Company in its board meetings held on August 24, 2009 and September 2, 2008, respectively, all of which have been audited by the Company's previous auditor, Dinesh Nair & Associates, and whose auditors' reports on these financial statements have been relied upon by us;
  - d) the audited unconsolidated financial statements of the Company as at and for each of the years ended March 31, 2009 and 2008 prepared in accordance with accounting principles generally accepted in India at the relevant time, prepared for the purpose of presentation of the restated unconsolidated summary statements under the requirements of Revised Schedule VI of the Act and approved by the Company in its board meetings held on April 2, 2012, all of which have been audited by the Company's previous auditor, Dinesh Nair & Associates, and whose auditors' report on these financial statements have been relied upon by us; and
  - e) Clarification dated August 2, 2011 from the Company's previous auditor, Dinesh Nair & Associates, in relation to certain matters regarding their reports on the financial statements for the years ended March 31, 2009 and 2008 ( Refer paragraph 6 (g) (B)).
5. In accordance with the requirements of Paragraph B of Part II of Schedule II of the Act, the Regulations and terms of our engagement agreed with you, we report that:
- Read with paragraph 4 above, we have examined the restated unconsolidated summary statements of assets and liabilities of the Company as at December 31, 2012, March 31, 2012, 2011, 2010, 2009 and 2008 and the related restated unconsolidated summary statements of profits and losses and cash flows for nine months period ended December 31, 2012 and for each of the years ended March 31, 2012, 2011, 2010, 2009 and 2008 (collectively, the "Restated Unconsolidated Summary Statements") and as set out in Annexures I to III.
6. Based on our examination and the reliance placed on the reports of the auditors as referred to in Paragraph 4(c) and 4 (d) above to the extent applicable and based on the clarification received from previous auditors referred to in paragraph 4(e) above, we further report that:
- a) The restated unconsolidated profits have been arrived at after making such adjustments and regroupings as, in our opinion, are appropriate and more fully described in the notes appearing in section 1, 2 and 3 of Annexure IV(B) to this report;
  - b) The impact arising on account of changes in accounting policies adopted by the Company as at and for the nine months period ended December 31, 2012, is applied with retrospective effect in the restated unconsolidated summary statements;
  - c) Adjustments for the material amounts in the respective financial years to which they relate have been adjusted in the attached restated unconsolidated summary statements;
  - d) There are no extraordinary items which need to be disclosed separately in the restated unconsolidated summary statements;
  - e) Read with clarifications referred to in paragraph 4(e) above, there are no qualifications in the auditors' reports on the unconsolidated financial statements of the Company as at and for nine months period ended December 31, 2012 and as at and for each of the years ended March 31, 2012, 2011, 2010, 2009 and 2008 which require any adjustments to the Restated Unconsolidated Summary Statements; and
  - f) Other audit qualifications in the unconsolidated statements for the years ended March 31, 2012,

2011 and 2010, which does not require any corrective adjustment in the financial information, are as follows:

**A. Annexure to auditor’s report for the Financial year ended March 31, 2012**

(i) Clause ix (a)

Undisputed statutory dues including provident fund, investor education and protection fund, income-tax, sales tax, wealth-tax, service tax, customs duty, cess and other material statutory dues applicable to it have generally been regularly deposited with the appropriate authorities *though there have been few delays in deposit of employees’ state insurance (‘ESIC’) dues with the appropriate authorities and the delays in deposit have not been serious.* The provisions relating to excise duty are not applicable to the Company.

(ii) Clause ix (b)

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, income-tax, sales tax, employees’ state insurance, wealth tax service tax, customs duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable, *except in case of ESIC, which has not been deposited till date as per following table.* The provisions relating to excise duty are not applicable to the Company.

<i>Name of the statute</i>	<i>Nature of the dues</i>	<i>Amount (Rs)</i>	<i>Period to which the amount relates</i>	<i>Due Date</i>	<i>Date of Payment</i>
<i>ESIC Act</i>	<i>ESIC</i>	<i>30,251,804</i>	<i>April 2005 to March 2010.</i>	<i>21<sup>st</sup> of every month</i>	<i>Not yet paid (Refer Note 12 of Schedule IVC to the unconsolidated restated summary statements)</i>

**B. Annexure to auditor’s report for the Financial year ended March 31, 2011**

(iii) Clause i (b)

Fixed assets have been physically verified by the management during the year and *material discrepancies were identified on such verification.* These have been properly dealt with in the books of accounts.

(iv) Clause ix (a)

Undisputed statutory dues including provident fund, investor education and protection fund, income-tax, sales tax, wealth-tax, service tax, customs duty, cess and other material statutory dues applicable to it have generally been regularly deposited with the appropriate authorities *though in case of employees’ state insurance (‘ESIC’) there were serious delays in a large number of cases.* The provisions relating to excise duty are not applicable to the Company.

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Act, we are not in a position to comment upon the regularity of otherwise of the Company in depositing the

same.

Clause ix (b)

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, income-tax, sales tax, wealth tax, service tax, customs duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to excise duty are not applicable to the Company. According to the information and explanations given to us, *undisputed dues in respect of ESIC which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:*

Name of the statute	Nature of the dues	Amount (Rs)	Period to which the amount relates	Due Date	Date of Payment
ESIC Act	ESIC	30,251,804	April 2005 to March 2010	21 <sup>st</sup> of every month	Not yet paid (refer note 12 to Schedule IVC to the unconsolidated restated summary statements)

**C. Annexure to auditor's report for the Financial year ended March 31, 2010**

(i) Clause i (a)

The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets, *except for certain furniture and fixture, computers and plant and machinery, where the records are maintained for group of similar assets and not for each individual asset.*

(ii) Clause i (b)

All fixed assets have not been physically verified by the management during the year but there is a regular program of verification, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. *For the assets physically verified by the management during the year, the Company is in process of reconciling the assets physically verified with the books of accounts.*

(iii) Clause vii

The Company has an internal audit system, *the scope and coverage of which, in our opinion requires to be enlarged to be commensurate with the size and nature of its business.*

(iv) Clause ix(a)

Undisputed statutory dues including provident fund, investor education and protection fund, income-tax, wealth-tax, service tax have generally been regularly deposited with the appropriate authorities *though there has been a slight delay in a few cases and in case of employees' state insurance ('ESIC') no payments have been made, as discussed in clause (ix)(b) below.* The provisions relating to sales tax, customs duty, excise duty and cess are not applicable to the Company.



Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Act, we are not in a position to comment upon the regularity of otherwise of the Company in depositing the same.

(v) Clause ix(b)

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, income-tax, wealth tax service tax, and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable, *except in case of ESIC, which has not been deposited till date as per following table.* The provisions relating to sales tax, customs duty, excise duty and cess are not applicable to the Company:

Name of the statute	Nature of the dues	Amount (Rs)	Period to which the amount relates	Due Date	Date of Payment
ESIC Act	ESIC	23,909,128	April 2005 to March 2009	21 <sup>st</sup> of every month	Not yet paid
ESIC Act	ESIC	4,018,678	April 2009 to Sep 2009	21 <sup>st</sup> of every month	Not yet paid

- g) Following are the modification reported by the previous auditor for the years ended March 31, 2009 and 2008 as stated in section 5 of Annexure IVB of this report, which in view of the clarifications referred to in paragraph 4(e) above are deemed non-qualificatory and hence, do not require any corrective adjustment in the restated unconsolidated summary statements.

**A. Clause vi of Auditor's report for the Financial year ended March 31, 2009**

In the clause vi of auditor's report for the year ended March 31, 2009, the previous auditor had modified the report and included the following comments

“In our opinion and to the best of our information and according to the explanations given to us and subject to the revenue recognition policy referred to in note-2 of schedule-Q, the said accounts read with notes thereon and attached thereto, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2009 and
- (b) In case of the Profit and Loss Account, of the profit for the year ended on that date.
- (c) In case of Cash Flow statement, of the cash flows for the year ended on that date.”

Note-2 of Schedule-Q mentioned in the above clause reads as follows:

“2) Revenue Recognition

Revenue income and cost/expenditure are generally accounted on accrual basis as they are earned or incurred. The Company analyses the different forms of tenor based 'registration receipts' and based on the costing required for services such, as registration and after considering such other commercial factors, recognizes the current year revenue by deferring parts of its receipts on such parameters and policies of the Company, as was done in the preceding financial year.

Company has analyzed the lead based contracts are materially one year contracts and therefore as per company policy the receipts are accounted on receipt basis without any deferment.

In case of revenue from 'yellow pages' publication, the Company recognizes the revenue and expenses on receipt basis."

The Company has sought a clarification from the auditor whether the said comments are not qualificatory in nature. The previous auditor, vide his letter dated August 2, 2011 clarified as follows:

"In the audit reports for year ended March 31, 2009, the above mentioned comment is not qualificatory in nature rather trying to draw the attention to relevant Accounting Polices to the Notes to Accounts since the company was introducing new type of listing from time to time."

**B. CARO clauses not commented upon by previous auditor for the years ended March 31, 2009 and 2008**

In the audit reports for years ended March 31, 2009 and 2008, the auditor had not commented on the below paragraphs as required by the Companies (Auditors Report) Order, 2003, ('CARO').

"(i)(c) If a substantial part of fixed assets have been disposed off during the year, whether it has affected the going concern:

(vi) in case the company has accepted deposits from the public, whether the directives issued by the Reserve Bank of India and the provisions of sections 58A, 58AA or any other relevant provisions of the Act and the rules framed there under, where applicable, have been complied with. If not, the nature of contraventions should be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal whether the same has been complied with or not

(vii) whether the Company has an internal audit system commensurate with its size and nature of its business"

The Company has sought a clarification from the auditor whether the said clauses, not reported by him are qualificatory in nature. The previous auditor, vide his letter dated August 2, 2011, referred to in paragraph 4(e), clarified as follows:

"These clauses are not qualified and were omitted inadvertently by us while reporting."

h) In our opinion, the financial information as disclosed in the Annexures to this report, read with the respective significant accounting policies and notes disclosed in Annexure IV(C), and after making adjustments and re-groupings as considered appropriate and disclosed in Annexures IV(A) and IV(B), have been prepared in accordance with Part II of Schedule II of the Act and the Regulations.

7. We have not audited any financial statements of the Company as of any date or for any period subsequent to December 31, 2012. Accordingly, we express no opinion on the financial position, results of operations

or cash flows of the Company as of any date or for any period subsequent to December 31, 2012.

**Other Financial Information:**

8. At the Company's request, we have also examined the following unconsolidated financial information proposed to be included in the offer document prepared by the management and approved by the Board of Directors of the Company and annexed to this report relating to the Company as at and for the nine months period ended December 31, 2012 and for each of the years ended March 31, 2012, 2011, 2010, 2009 and 2008:
  - i. Restated Unconsolidated Statement of Reserves and Surplus, enclosed as Annexure V
  - ii. Restated Unconsolidated Statement of Non-Current Investments, enclosed as Annexure VI
  - iii. Restated Unconsolidated Statement of Current Investments, enclosed as Annexure VII
  - iv. Restated Unconsolidated Statement of Trade Receivables, enclosed as Annexure VIII
  - v. Restated Unconsolidated Statement of Long-term Loans and Advances and Other Non-Current Assets, enclosed as Annexure IX
  - vi. Restated Unconsolidated Statement of Short-term Loans and Advances and Other Current Assets, enclosed as Annexure X
  - vii. Restated Unconsolidated Statement of Long-term borrowings enclosed as Annexure XI
  - viii. Restated Unconsolidated Statement of Other Long-term liabilities and Long-term Provisions, enclosed as Annexure XII
  - ix. Restated Unconsolidated Statement of Trade Payables, Other Current Liabilities and Short-term Provisions, enclosed as Annexure XIII
  - x. Restated Unconsolidated Statement of Other Income, enclosed as Annexure XIV
  - xi. Restated Unconsolidated Statement Contingent Liabilities, enclosed as Annexure XV
  - xii. Restated Unconsolidated Statement of Dividend, enclosed as Annexure XVI
  - xiii. Restated Unconsolidated Statement of Accounting Ratios, enclosed as Annexure XVII
  - xiv. Capitalisation Statement, as appearing in Annexure XVIII
  - xv. Restated Unconsolidated Tax Shelter Statement, enclosed as Annexure XIX
  - xvi. Restated Unconsolidated Statement of Related Party Transactions, enclosed as Annexure XX
9. This report should not be in any way construed as a reissuance or redating of any of the previous audit reports issued by us or by other firm of Chartered Accountants, nor should this report be construed as an opinion on any of the financial statements referred to herein.
10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
11. This report is intended solely for your information and for inclusion in the offer document in connection with the proposed public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For S.R. Batliboi & Associates LLP  
Firm Registration No.:101049W  
Chartered Accountants

per Govind Ahuja  
Partner

Membership No: 48966  
Mumbai  
April 3, 2013

**Annexure I - Restated Unconsolidated Summary Statement of Assets and Liabilities**

Rs. in million

	Particulars	As at					
		31-Dec-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
<b>A</b>	<b>Non-current assets</b>						
	<b>Fixed assets</b>						
	Tangible assets	542.21	326.98	253.94	181.92	136.86	115.45
	Intangible assets	63.56	21.40	17.99	6.33	5.03	7.85
	Capital work-in-progress	-	3.18	-	-	-	-
	Intangible assets under development	11.79	8.72	-	-	-	-
		<b>617.56</b>	<b>360.28</b>	<b>271.93</b>	<b>188.25</b>	<b>141.89</b>	<b>123.30</b>
	Non-current investments	-	-	-	22.51	13.69	13.69
	Deferred tax assets (net)	-	9.14	12.43	27.89	126.87	113.22
	Long-term loans and advances	203.37	203.50	145.23	78.62	36.03	23.95
	Other non-current assets	-	-	-	0.28	0.26	7.24
		<b>820.93</b>	<b>572.92</b>	<b>429.59</b>	<b>317.55</b>	<b>318.74</b>	<b>281.40</b>
<b>B</b>	<b>Current assets</b>						
	Current investments	4,500.69	1,568.00	1,182.22	785.10	402.47	407.04
	Trade receivables	3.97	-	0.60	0.35	0.69	7.71
	Cash and bank balances	257.99	237.35	196.09	113.99	203.43	136.87
	Short-term loans and advances	128.18	59.00	101.58	35.18	39.90	14.07
	Other current assets	21.79	40.48	4.17	-	-	-
		<b>4,912.62</b>	<b>1,904.83</b>	<b>1,484.66</b>	<b>934.62</b>	<b>646.49</b>	<b>565.69</b>
<b>C</b>	<b>Total assets (C= A + B)</b>	<b>5,733.55</b>	<b>2,477.75</b>	<b>1,914.25</b>	<b>1,252.17</b>	<b>965.23</b>	<b>847.09</b>
<b>D</b>	<b>Non-current liabilities</b>						
	Long-term borrowings	-	-	1.49	3.16	-	0.29
	Deferred tax liabilities (net)	1.84	-	-	-	-	-
	Other long-term liabilities	28.80	22.95	15.61	14.79	14.89	41.08
	Long-term provisions	9.85	-	-	-	15.27	14.95
		<b>40.49</b>	<b>22.95</b>	<b>17.10</b>	<b>17.95</b>	<b>30.16</b>	<b>56.32</b>
<b>E</b>	<b>Current liabilities</b>						
	Trade payables	64.36	43.95	49.28	29.76	19.08	27.88
	Other current liabilities	1,562.84	1,325.50	873.19	533.87	450.87	379.64
	Short-term provisions	17.12	12.92	20.59	13.16	14.92	11.01
		<b>1,644.32</b>	<b>1,382.37</b>	<b>943.06</b>	<b>576.79</b>	<b>484.87</b>	<b>418.53</b>
<b>F</b>	<b>Total liabilities (F= D + E)</b>	<b>1,684.81</b>	<b>1,405.32</b>	<b>960.16</b>	<b>594.74</b>	<b>515.03</b>	<b>474.85</b>
<b>G</b>	Share issue expenses (to the extent not written off or adjusted)	-	38.76	-	-	-	-
<b>H</b>	Share Application money	0.61	-	-	-	-	-
	<b>Net Worth (C - F - G- H)</b>	<b>4,048.13</b>	<b>1,033.67</b>	<b>954.09</b>	<b>657.43</b>	<b>450.20</b>	<b>372.24</b>
	<b>Networth represented by</b>						
<b>I</b>	<b>Shareholders' funds</b>						
	<b>Share capital</b>						
	Equity share capital	694.44	519.08	519.05	8.56	8.56	8.56
	Preference share capital	-	11.64	1.96	2.52	2.52	2.52

	Particulars	As at					
		31-Dec-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
	<b>Total Share capital</b>	<b>694.44</b>	<b>530.72</b>	<b>521.01</b>	<b>11.08</b>	<b>11.08</b>	<b>11.08</b>
<b>J</b>	<b>Reserves and surplus</b>						
	Capital redemption reserve	-	-	-	0.87	0.87	0.87
	Securities premium account	2,447.15	-	4.40	381.70	381.70	381.70
	Stock option outstanding account	10.44	8.83	3.24	22.67	8.69	6.14
	General reserve	-	-	-	37.43	37.43	25.31
	Net surplus/(deficit) in the statement of profit and loss	896.10	532.88	425.44	203.68	10.43	(52.86)
	<b>Total Reserves and surplus</b>	<b>3,353.69</b>	<b>541.71</b>	<b>433.08</b>	<b>646.35</b>	<b>439.12</b>	<b>361.16</b>
<b>K</b>	Share issue expenses (to the extent not written off or adjusted)	-	38.76	-	-	-	-
	<b>Net Worth (I + J - K )</b>	<b>4,048.13</b>	<b>1,033.67</b>	<b>954.09</b>	<b>657.43</b>	<b>450.20</b>	<b>372.24</b>

**Notes:**

- 1) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA, IVB & IVC.

As per our report of even date

**For S. R. Batliboi & Associates LLP**  
**Firm registration number: 101049W**  
**Chartered Accountants**

**per Govind Ahuja**  
**Partner**  
Membership No. 48966

Place : Mumbai  
Date: April 3, 2013

**Annexure II - Restated Unconsolidated Summary Statement of Profits and Losses**

**Rs. in million**

Particulars	Nine months period ended 31-Dec-12	For the year ended				
		31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
<b>Income from continuing operations</b>						
Revenue from operations						
Sale of search and other related services	2,643.63	2,593.98	1,796.03	1,160.62	735.39	510.18
Yellow pages publication services	-	-	-	148.45	123.83	185.69
Other operating revenue (revenue from reseller)	1.34	26.63	43.30	-	-	-
Other income	71.17	131.54	37.27	38.56	58.92	20.16
<b>Total revenue</b>	<b>2,716.14</b>	<b>2,752.15</b>	<b>1,876.60</b>	<b>1,347.63</b>	<b>918.14</b>	<b>716.03</b>
<b>Expenses</b>						
Employee benefits expense	1,290.28	1,308.37	947.17	668.82	522.77	420.54
Depreciation and amortisation expense	101.98	90.23	67.88	49.99	38.41	24.46
Finance cost	0.05	0.17	0.29	0.04	0.05	0.14
Other expenses	619.47	639.94	438.29	336.55	257.09	238.62
<b>Total expenses</b>	<b>2,011.78</b>	<b>2,038.71</b>	<b>1,453.63</b>	<b>1,055.40</b>	<b>818.32</b>	<b>683.76</b>
<b>Restated profit before tax and exceptional items from continuing operations</b>	<b>704.36</b>	<b>713.44</b>	<b>422.97</b>	<b>292.23</b>	<b>99.82</b>	<b>32.27</b>
Exceptional items	(15.25)	-	-	-	-	-
<b>Restated profit before tax from continuing operations</b>	<b>689.11</b>	<b>713.44</b>	<b>422.97</b>	<b>292.23</b>	<b>99.82</b>	<b>32.27</b>
<b>Tax expense/(income)</b>						
Current tax	207.35	205.96	119.24	-	35.17	41.87
Deferred tax charge /(credit)	10.98	3.26	15.48	98.98	(13.65)	(33.27)
Fringe benefit tax	-	-	-	-	2.89	2.78
<b>Total tax expense</b>	<b>218.33</b>	<b>209.22</b>	<b>134.72</b>	<b>98.98</b>	<b>24.41</b>	<b>11.38</b>
<b>Restated profit after tax from continuing operations (A)</b>	<b>470.78</b>	<b>504.22</b>	<b>288.25</b>	<b>193.25</b>	<b>75.41</b>	<b>20.89</b>
<b>Discontinuing operation</b>						
Profit before tax from discontinuing operations	-	2.30	-	-	-	-
Tax expense of discontinuing operations	-	0.71	-	-	-	-
<b>Restated Profit after tax from discontinuing operations (B)</b>	<b>-</b>	<b>1.59</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Restated profit for the period/year (A + B)</b>	<b>470.78</b>	<b>505.81</b>	<b>288.25</b>	<b>193.25</b>	<b>75.41</b>	<b>20.89</b>

**Notes:**

The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA, IVB & IVC.

As per our report of even date

**For S. R. Batliboi & Associates LLP**  
**Firm registration number: 101049W**  
**Chartered Accountants**

**per Govind Ahuja**  
**Partner**  
Membership No. 48966

Place : Mumbai  
Date: April 3, 2013



**Annexure III - Restated Unconsolidated Summary Statement of Cash Flows**

**Rs. in million**

Particulars	Nine months period ended 31-Dec-12	For the year ended				
		31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>						
Profit before taxation from continuing operations (as restated)	689.11	713.44	422.97	292.23	99.82	32.27
Profit before taxation from discontinued operations (as restated)	-	2.30	-	-	-	-
<b>Profit before taxation (as restated)</b>	<b>689.11</b>	<b>715.74</b>	<b>422.97</b>	<b>292.23</b>	<b>99.82</b>	<b>32.27</b>
<b>Non cash adjustments to reconcile profit before tax to net cash flows</b>						
Depreciation and amortisation expense	101.98	90.23	67.88	49.99	38.41	24.46
Employee stock compensation expense	3.19	5.60	3.24	13.97	2.55	6.14
Loss/(profit) on sale/scrap of fixed assets (net)	0.11	(0.05)	12.29	(0.16)	(0.71)	(0.31)
Unrealized foreign exchange loss (net)	-	-	0.80	0.05	-	-
Advertisement expenses	-	-	4.40	-	-	-
Loss/(profit) on sale of current investments	(44.43)	(42.29)	(2.78)	(3.07)	(19.73)	0.56
Loss on sale of long term investment	-	0.48	-	-	-	-
Interest income	(1.65)	(4.30)	(2.27)	(8.40)	(7.59)	(4.95)
Dividend income	(11.87)	(43.55)	(28.61)	(25.84)	(29.40)	(14.38)
Interest Expense	0.05	0.17	0.29	0.04	0.05	0.14
<b>Operating profit before working capital changes (as restated)</b>	<b>736.49</b>	<b>722.03</b>	<b>478.21</b>	<b>318.81</b>	<b>83.40</b>	<b>43.93</b>
<b>Movements in Working Capital</b>						
(Increase)/decrease in trade receivables	(3.97)	0.60	(0.25)	0.34	7.03	(6.12)
(Increase)/decrease in short-term loans and advances	(69.19)	(1.65)	(66.70)	4.99	(25.82)	7.62
(Increase)/decrease in long-term loans and advances	(19.81)	(4.26)	(40.81)	(9.11)	(8.90)	22.81
(Increase)/decrease in other current assets	0.06	2.51	(4.16)	-	-	-
Increase/(decrease) in trade payables	20.40	(5.34)	19.52	10.68	(8.79)	10.82
Increase in other current liabilities	238.68	452.49	339.21	81.74	71.84	125.79
Increase/(decrease) in other non-current liabilities	5.85	7.35	0.81	(0.09)	(26.20)	(6.97)
Increase/(decrease) in long-term provisions	9.85	-	-	(1.91)	1.97	(26.69)
Increase/(decrease) in short-term provisions	4.20	(7.68)	7.43	(1.75)	6.51	5.18
<b>Cash flow from operations</b>	<b>922.56</b>	<b>1,166.05</b>	<b>733.26</b>	<b>403.70</b>	<b>101.04</b>	<b>176.37</b>

Particulars	Nine months period ended 31-Dec-12	For the year ended				
		31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Direct taxes paid (including fringe benefit taxes paid) (net of refunds)	(238.02)	(208.84)	(133.19)	(44.57)	(39.73)	(34.18)
<b>Net cash generated from operating activities (A)</b>	<b>684.54</b>	<b>957.21</b>	<b>600.07</b>	<b>359.13</b>	<b>61.31</b>	<b>142.19</b>
<b>B. CASH FLOW USED IN INVESTING ACTIVITIES</b>						
Purchase of fixed assets, including intangible assets, capital work in progress and capital advances	(308.96)	(230.84)	(191.86)	(99.10)	(61.59)	(56.81)
Proceeds from sale of fixed assets	0.21	0.20	16.05	0.35	2.12	0.58
Investment in subsidiaries	-	-	-	(14.11)	-	-
Purchase of current investments	(6,698.16)	(3,932.44)	(2,005.91)	(899.81)	(563.85)	(307.04)
Purchase of long term investment	-	(580.00)	(144.76)	-	-	-
Sale of current investments	3,809.90	3,421.70	1,773.56	525.51	588.14	49.43
Loans given	-	(111.74)	-	-	-	-
Proceeds from loan repaid	-	156.03	-	-	-	-
Proceeds from dilution of shares by subsidiary	-	-	5.25	-	-	-
Investment in bank deposit (with maturity more than three months)	(0.51)	(24.53)	(49.62)	(47.21)	(142.57)	(36.86)
Redemption/maturity of bank deposit (with maturity more than three months)	0.47	22.81	38.95	188.47	42.28	33.24
Interest received	0.04	4.24	1.88	8.40	7.59	4.95
Proceeds from sale of investments in subsidiary	-	22.03	-	-	-	-
Dividend received	11.87	43.55	28.61	25.84	29.40	14.38
<b>Net cash used in investing activities (B)</b>	<b>(3,185.14)</b>	<b>(1,208.99)</b>	<b>(527.85)</b>	<b>(311.66)</b>	<b>(98.48)</b>	<b>(298.13)</b>
<b>C. CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES</b>						
Long term borrowings taken	-	-	-	4.99	-	-
Repayments of long term borrowings	(1.33)	(1.67)	(1.54)	(0.57)	(0.90)	(1.44)
Receipts from issuance of preference shares (including premium)	-	333.86	-	-	-	201.51
Share Application money pending allotment	0.61	-	-	-	-	-
Receipts from issuance of equity shares (including premium)	2,548.07	0.22	0.75	-	-	-
Share issue expenses	(26.10)	(40.91)	-	-	-	-
Interest paid	(0.05)	(0.17)	(0.29)	(0.04)	(0.05)	(0.14)
Dividend paid	-	-	-	-	(2.22)	-
Dividend distribution tax	-	-	-	-	(0.38)	-
<b>Net cash generated from/ (used in) financing activities (C)</b>	<b>2,521.20</b>	<b>291.33</b>	<b>(1.08)</b>	<b>4.38</b>	<b>(3.55)</b>	<b>199.93</b>
<b>Net increase/(decrease) in cash and cash equivalents (A +</b>	<b>20.60</b>	<b>39.55</b>	<b>71.14</b>	<b>51.85</b>	<b>(40.72)</b>	<b>43.99</b>

Particulars	Nine months period ended 31-Dec-12	For the year ended				
		31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
<b>B + C )</b>						
<b>Cash and cash equivalents at the beginning of the period/year</b>	<b>214.54</b>	<b>174.99</b>	<b>103.85</b>	<b>52.00</b>	<b>92.72</b>	<b>48.73</b>
<b>Total Cash and cash equivalents at the end of the period/year</b>	<b>235.14</b>	<b>214.54</b>	<b>174.99</b>	<b>103.85</b>	<b>52.00</b>	<b>92.72</b>

Components of Cash and Cash Equivalents	Nine months period ended 31-Dec-12	For the year ended				
		31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Cash on hand	6.83	5.89	4.59	0.83	2.63	2.72
Cheques/drafts on hand	-	12.13	18.36	-	-	-
Balance with scheduled banks:						
Current account	228.31	196.52	152.04	103.02	49.37	90.00
	<b>235.14</b>	<b>214.54</b>	<b>174.99</b>	<b>103.85</b>	<b>52.00</b>	<b>92.72</b>

**Notes:**

- 1) Figures in brackets indicate cash outflow
- 2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA, IVB & IVC.

As per our report of even date

**For S. R. Batliboi & Associates LLP**  
**Firm registration number: 101049W**  
**Chartered Accountants**

**per Govind Ahuja**  
**Partner**  
 Membership No. 48966

Place : Mumbai  
 Date: April 3, 2013

## Notes to restated unconsolidated summary financial statements

### Annexure IVA: Notes on Material Adjustments

The summary of results of restatement made in the audited unconsolidated financials statements for the respective years and its impact on the profit/ (loss) of the Company is as follows

Particulars	Nine months period ended 31-Dec-12	For the year ended				
		31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
<b>(A) Net Profit/(loss) as per audited financial statements</b>	<b>470.78</b>	<b>505.81</b>	<b>295.39</b>	<b>(104.78)</b>	<b>121.20</b>	<b>93.51</b>
<b>Adjustments due to changes in accounting policies</b>						
Increase/ (Decrease) in Depreciation due to change in method from Written Down Value (WDV) Method to Straight Line Method (SLM)(Refer Note 1(a) of Annexure IVB)	-	-	-	(10.17)	1.91	6.86
Increase in profit on sale of assets due to change in method of depreciation from WDV to SLM basis.(Refer Note 1(a) of Annexure IVB)	-	-	-	-	0.70	0.27
<b>Other Adjustments</b>						
Increase/(Decrease) in revenues on account of revenue recognition on accrual basis as per Revenue Recognition policy mandated by AS-9 (Refer Note 2(A)(a) of Annexure IVB)	-	-	-	379.57	(48.75)	(97.61)
Provision for Compensated Absences(Refer Note 2(A)(e) of Annexure IVB)	-	-	-	14.92	(6.51)	(2.58)
Lease rent adjustment, for straight lining of leases as required by AS-19 - Accounting for Leases(Refer Note 2(A)(c) of Annexure IVB)	-	-	-	3.13	0.38	(1.16)
Printing and Publishing expenses restated due to change in policy of recognising printing and publishing expenses based on publishing dates.(Refer Note 2(A)(b) of Annexure IVB)	-	-	-	-	0.82	0.24
Adjustment for other employee statutory dues (Refer Note 2(A)(f) of Annexure IVB)	-	-	-	23.91	(8.02)	(8.39)
Employee Stock Options - accounting treatment as per the guidance note issued by the Institute of Chartered Accountants of India (Refer Note 2(A)(d) of Annexure IVB)	-	-	-	12.62	(2.56)	(6.14)
Reversal of Prior year adjustments due to the expense recognition in the year to which it relates.	-	-	-	-	(0.28)	-
<b>(B) Total Adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>423.98</b>	<b>(62.31)</b>	<b>(108.51)</b>
<b>(C) Tax (under-provisions)/over-provisions (Refer Note 2(B) of Annexure IVB)</b>	<b>-</b>	<b>-</b>	<b>0.68</b>	<b>2.34</b>	<b>0.67</b>	<b>(0.79)</b>
<b>(D) Deferred tax impact of adjustments</b>	<b>-</b>	<b>-</b>	<b>(7.82)</b>	<b>(128.29)</b>	<b>15.85</b>	<b>36.68</b>
<b>Restated Profit (A + B + C + D)</b>	<b>470.78</b>	<b>505.81</b>	<b>288.25</b>	<b>193.25</b>	<b>75.41</b>	<b>20.89</b>

**Notes:**

- 1) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVB & IVC.
- 2) During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company for preparation and presentation of its financial statements. The adoption of revised Schedule VI of the Companies Act, 1956 does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the figures for the years ended March 31, 2011, 2010, 2009 and 2008 in accordance with the requirements applicable for the year ended March 31, 2012.

## **Annexure IVB**

### **1. a. Changes in Accounting Policies**

#### **Change in Depreciation policy from Written Down Value Method to Straight Line Method.**

During the year ended March 31, 2010, the Company had changed the method of depreciation from Written down value method to Straight line method. The depreciation figures appearing in the audited financial statements for the years ended March 31, 2009 and 2008 have been restated to provide for the impact in each of the respective financial years due to the change in method of depreciation. The net block of fixed assets has been accordingly changed in each of the financial years ending March 31, 2009 and 2008.

Further, the profit and loss on assets sold in each of the financial years ending March 31, 2009 and 2008 has been recomputed in line with the revised policy.

### **b. Presentation and disclosure of financial statements**

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act, 1956, had become applicable to the Company, for preparation and presentation of its financial statements. Accordingly the Company has prepared the financial statements for the year ended March 31, 2012 in accordance with Revised Schedule VI of the Companies Act, 1956. The adoption of revised Schedule VI of the Companies Act, 1956 does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the figures for the years ended March 31, 2011, 2010, 2009 and 2008 in accordance with the requirements of Revised Schedule VI.

## **2. Other Adjustments**

### **(A) Prior period items**

#### **a) Revenue recognition**

During the year ended March 31, 2010, the Company has corrected the application of the revenue recognition policy whereby revenue is now prorated over the period of the contract for tenure based contracts, prorated on the leads consumed for lead base contracts and on availability of yellow pages directory to the public for accessing information for print based contracts. The impact due to change in application of revenue recognition policy has been accounted retrospectively and its effect has been recognised by transferring the appropriate revenues to Unearned Revenue under Current Liabilities in each of the restated financial statements for the financial years ended March 31, 2009 and 2008.

#### **b) Publishing expense**

Printing and publishing expense related to yellow pages directory has been restated in each of financial years ended March 31, 2009 and 2008 based on the expense related to each of the financial years in which the revenue from yellow pages were recognised. In the audited financial statements for such years, the publishing expenses were earlier recognised based on when the expense was due or paid, whichever was earlier.

#### **c) Straight-lining of operating lease expenses**

In the audited financial statements for the years ended March 31, 2009 and 2008, the lease expenses were accounted on the payments falling due in such financial years. On

restatement of financials, the expense towards operating lease has been recognised by straight-lining the lease payments over the duration of the operating lease. The increase in provision arising due to such adjustment has been accounted under Current Liabilities and Provisions in the restated financial statements of the respective years.

**d) Employee stock options**

In respect of employee stock options granted to employees under the 2 schemes namely Employee Stock Option Scheme 2007 and Employee Stock Option Scheme 2008, the employee stock expense related to the grant of options was not recognised in the audited accounts of the financial years ended March 31, 2009 and 2008. On restatement of financial statements, the compensation expense and the deferred compensation related to employee stock option has been recognised in each of the financial years to which such charge relates. The balance value of the options not recognised during each of the financial years has been recognised under Stock Option Outstanding Account in each of the respective financial years. The share premium related to the exercise of the Employee Stock Options has been recognised in Share Premium account in the respective years in which the options were recognised.

**e) Compensated absences**

Provisions related to compensated absences for the un-availed privilege leave at the end of each financial year has been provided for in the restated financial statements for the financial years ended March 31, 2009 and 2008 as required under Accounting Standard 15 related to Employee Benefits. The provisions are based on the actuarial valuation report provided by a registered Actuary. The provision was not earlier made in the audited financial statements for years ended March 31, 2009 and 2008 and this adjustment has been recorded in the financial statements of the respective years on the restatement.

**f) Employee statutory dues**

The employee statutory dues that were underprovided in the financial statements for the years ended March 31, 2009 and 2008 has been provided in the respective restated financial statements for such years based on the estimate of such liability.

**(B) Income tax adjustments for earlier years**

Short or excess provision of prior taxes provided in each of the accounting year has been adjusted in the respective financial years for which the taxes were under provided. The above change to the accounting policy has resulted in net deferred tax assets in the restated financial statements. A major proportion of such deferred tax assets emanate from tax paid by the Company on its collected revenue in the previous financial years. The deferred tax liabilities appearing in each of the audited financial statements for the years ended March 31, 2009 and 2008 have been offset with the deferred tax assets created as a consequence of the above changes and the net deferred tax amount has been recognised in the restated financial statements for the years ended March 31, 2009 and 2008.

**3. Material regroupings**

Appropriate adjustments have been made in the restated unconsolidated summary statements of Assets and Liabilities, Profits and Losses and Cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the regroupings as per the audited financials of the Company for the nine months period ended December 31, 2012, prepared in accordance with revised Schedule VI, and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

**4. Restatement adjustments made in the audited opening balance figure in the net surplus in the**

**statement of profit and loss for fiscal 2008**

<b>Particulars</b>	<b>Rs. in million</b>
<b>(A) Net Surplus in the statement of Profit and Loss as at April 1, 2007 as per audited financial statements</b>	<b>110.67</b>
<b>Adjustments due to changes in accounting policies</b>	
Increase in Depreciation due to change in method from Written Down Value (WDV) Method to Straight Line Method (SLM).(Refer Note 1(a))	1.18
<b>Decrease in Profit on sale of asset due to change in the method of depreciation from Written Down Value (WDV) Method to Straight Line Method (SLM).</b>	<b>(0.53)</b>
<b>Other Adjustments</b>	
Decrease in revenues on account of revenue recognition on accrual basis as per Revenue Recognition policy mandated by AS-9 (Refer Note 2(A)(a))	(233.18)
Provision for Compensated Absences(Refer Note 2(A)(e))	(5.82)
Lease rent adjustment, for straight lining of leases as required by AS-19 - Accounting for Leases(Refer Note 2(A)(c))	(2.39)
Printing and publishing expenses restated due to change in the policy of recognizing printing and publishing expenses based on publishing dates(Refer Note 2(A)(b))	(1.03)
Employee stock options- Accounting treatment as per the guidance note issued by the Institute of Chartered Accountants of India.(Refer Note 2(A)(d))	(3.93)
Adjustment for other employee liabilities(Refer Note 2(A)(f))	(7.51)
<b>(B) Total Adjustments</b>	<b>(253.21)</b>
<b>(C) Tax (under-provisions)/over-provisions(Refer Note 2(B))</b>	<b>(2.73)</b>
<b>(D) Deferred Tax impact of adjustments</b>	<b>83.47</b>
<b>Net Surplus /(Deficit) in the statement of Profit and Loss as at April 1, 2007 (as restated)</b>	<b>(61.80)</b>

**5. Non – Adjusting Items**

Audit qualifications for the respective periods, which do not require any corrective material adjustments in the restated unconsolidated summary statements are as follows

**A. Annexure to auditor’s report Financial year ended March 31, 2012**

(v) Clause ix (a)

Undisputed statutory dues including provident fund, investor education and protection fund, income-tax, sales tax, wealth-tax, service tax, customs duty, cess and other material statutory dues applicable to it have generally been regularly deposited with the appropriate authorities *though there have been few delays in deposit of employees’ state insurance (‘ESIC’) dues with the appropriate authorities and the delays in deposit have not been serious.*

(vi) Clause ix (b)

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, income-tax, sales tax, wealth tax, service tax, customs duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable, *except in case of ESIC, which has not been deposited till date as per following table.* The provisions relating to excise duty are not applicable to the Company.



Name of the statute	Nature of the dues	Amount (Rs)	Period to which the amount relates	Due Date	Date of Payment
<i>ESIC Act</i>	<i>ESIC</i>	<i>30,251,804</i>	<i>April 2005 to March 2010</i>	<i>21<sup>st</sup> of every month</i>	<i>Not yet paid (refer note 12 to Annexure IVC)</i>

**B. Annexure to auditor's report Financial year ended March 31, 2011**

(i) Clause i (b)

Fixed assets have been physically verified by the management during the year and *material* discrepancies were identified on such verification. These have been properly dealt with in the books of accounts.

(ii) Clause ix (a)

Undisputed statutory dues including provident fund, income-tax, sales tax, wealth-tax, service tax, customs duty, cess and other material statutory dues applicable to it have generally been regularly deposited with the appropriate authorities *though in case of employees' state insurance ('ESIC') there were serious delays in a large number of cases.* The provisions relating to investor education and protection fund and excise duty are not applicable to the Company.

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Act we are not in a position to comment upon the regularity of otherwise of the company in depositing the same.

(vii) Clause ix (b)

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, sales tax, wealth tax service tax, customs duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to investor Education and Protection Fund and excise duty are not applicable to the Company. According to the information and explanations given to us, undisputed dues in respect of ESIC *which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:*

Name of the statute	Nature of the dues	Amount (Rs)	Period to which the amount relates	Due Date	Date of Payment
<i>ESIC Act</i>	<i>ESIC</i>	<i>30,251,804</i>	<i>April 2005 to March 2010</i>	<i>21<sup>st</sup> of every month</i>	<i>Not yet paid (refer note 12 to Annexure IVC)</i>

**C. Annexure to auditor's report for the Financial year ended March 31, 2010**

(i) Clause i (a)

The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets, *except for certain furniture and fixture, computers and plant and machinery, where the records are maintained for group of similar assets and not for each individual asset.*

(ii) Clause i (b)

All fixed assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. *For the assets physically verified by the management during the year, the Company is in process of reconciling the assets physically verified with the books of accounts.*

(iii) Clause vii

The Company has an internal audit system, *the scope and coverage of which, in our opinion requires to be enlarged to be commensurate with the size and nature of its business.*

(iv) Clause ix (a)

Undisputed statutory dues including provident fund, income-tax, wealth-tax, service tax have generally been regularly deposited with the appropriate authorities *though there has been a slight delay in a few cases and in case of employees' state insurance ('ESIC') no payments have been made, as discussed in clause (ix)(b) below.* The provisions relating to Investor Education and Protection Fund, sales tax, customs duty, excise duty and cess are not applicable to the Company.

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Act we are not in a position to comment upon the regularity of otherwise of the Company in depositing the same.

(v) Clause ix (b)

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, wealth tax service tax, and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable, *except in case of ESIC, which has not been deposited till date as per following table.* The provisions relating to investor Education and Protection Fund, sales tax, customs duty, excise duty and cess are not applicable to the Company.

Name of the statute	Nature of the dues	Amount (Rs)	Period to which the amount relates	Due Date	Date of Payment
ESIC Act	ESIC	23,909,128	April 2005 to March 2009	21 <sup>st</sup> of every month	Not yet paid
ESIC Act	ESIC	4,018,678	April 2009 to Sep 2009	21 <sup>st</sup> of every month	Not yet paid

**6. Matters clarified by previous auditor**

Audit report modifications for the respective periods by previous years auditor, which do not require any corrective adjustments in the restated unconsolidated summary statements, based on clarification received from previous auditor are as follows

**A. Audit report modifications for the year ended March 31, 2009**

In the audit reports for years March 31, 2009, the auditor had modified the report and included certain comments as specified in the below paragraphs:

Clause vi of the Audit Report for 2008-09 states that

“In our opinion and to the best of our information and according to the explanations given to us and subject to the revenue recognition policy referred to in note-2 of schedule-Q, the said accounts read with notes thereon and attached thereto, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2009 and
- (b) In case of the Profit and Loss Account, of the profit for the year ended on that date, and
- (c) In case of cash flow statement, of the cash flows for the year ended on that date.”

**Note-2 of Schedule-Q mentioned in the above clause reads as follows:**

**2) Revenue Recognition**

Revenue income and cost/expenditure are generally accounted on accrual basis as they are earned or incurred. The Company analyses the different forms of tenor based ‘registration receipts’ and based on the costing required for services such as registration and after considering such other commercial factors, recognizes the current year revenue by deferring parts of its receipts on such parameters and policies of the Company, as was done in the preceding financial year.

Company has analyzed the lead based contracts are materially one year contracts and therefore as per company policy the receipts are accounted on receipt basis without any deferment.

In case of revenue from ‘yellow pages’ publication, the Company recognizes the revenue and expenses on receipt basis.”

The Company has sought a clarification from the auditor whether the said comments are not qualificatory in nature. The previous auditor, vide his letter dated August 2, 2011 clarified as follows

“In the audit reports for years ended March 31, 2009, the above mentioned comment is not qualificatory in nature rather trying to draw the attention to relevant Accounting Polices to the Notes to Accounts since the company was introducing new type of listing from time to time.”

Based on above clarification, no adjustments have been made for the said modifications in the restated financial statements.

**B. CARO clauses not commented upon by previous auditor**

In the audit reports for years ended March 31, 2009 and 2008, the auditor had not commented on the below paragraphs as required by the Companies (Auditors Report) Order, 2003, (‘CARO’):

- (i)(c) If a substantial part of fixed assets have been disposed off during the year, whether it has affected the going concern:
- (vi) in case the Company has accepted deposits from the public, whether the directives issued by the Reserve Bank of India and the provisions of sections 58A, 58AA or any other relevant provisions of the Act and the rules framed there under, where applicable, have been complied with. If not, the nature of contraventions should be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or

Reserve Bank of India or any Court or any other Tribunal whether the same has been complied with or not

- (i) whether the Company has an internal audit system commensurate with its size and nature of its business

The Company has sought a clarification from the auditor whether the said clauses, not reported by him are qualifying in nature. The previous auditor, vide his letter dated August 2, 2011 clarified as follows:

“These clauses are not qualified and were omitted inadvertently by us while reporting.”

**ANNEXURE IVC: Notes to the restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows for the nine months period ended December 31, 2012 and for the years ended March 31, 2012, 2011, 2010, 2009 and 2008:**

**1. Background**

Just Dial Limited ('the Company') was incorporated in India with limited liability on December 20, 1993 under the name A&M Communications Private Limited. The Company provides local search related services to users in India through multiple platforms such as the internet, mobile internet, print, over the telephone (voice) and text (SMS). The Company has however discontinued providing services through print platform from financial year 2010-11 onwards.

At the extra-ordinary general meeting of the shareholders held on July 22, 2011, the shareholders approved the conversion of the Company from Private limited Company to a Public limited Company, and approved the change in the name of the Company from Just Dial Private Limited to Just Dial Limited. The Company has received a certificate of change in name from the Registrar of Companies on July 26, 2011.

**2. Basis of preparation**

The restated unconsolidated summary statement of assets and liabilities of the Company as at December 31, 2012, March 31, 2012, 2011, 2010, 2009 and 2008 and the related restated unconsolidated summary statement of profits and losses and cash flows for the nine months period ended December 31, 2012, and for the years ended March 31, 2012, 2011, 2010, 2009, and 2008 [herein collectively referred to as ('Restated unconsolidated summary statements')] have been compiled by the management from the Interim financial statements of the Company for the nine months period ended December 31, 2012 and from the financial statements for the year ended March 31, 2012, 2011, 2010, 2009 and 2008.

The interim financial statements have been prepared in accordance with Accounting Standard 25 (AS 25) on Interim Financial Reporting to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements and interim financial statements have been prepared under the historical cost convention on an accrual basis.

These restated unconsolidated summary statements have been prepared to comply in all material respects with the requirements of Schedule II to Companies Act, 1956 ('the Act') and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ('the Regulations').

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year except for changes in accounting policy explained in note 1 of Annexure IV B.

**3. Statement of Significant Accounting Policies**

**3.1 Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period/year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**3.2 Tangible fixed assets.**

Fixed assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

### 3.3 Depreciation on tangible fixed asset.

Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under schedule XIV of the Companies Act, 1956 whichever is higher as follows:

Particulars	Estimated useful life	Depreciation rates (SLM) (%)
Buildings	20 Years	5.00
Plant and Machinery	6 Years	16.67
Computers	5 Years	20.00
Furniture and Fittings	7 Years	14.29
Motor Car	5 Years	20.00
Headsets	3 Years	33.33
Office Equipment	7 Years	14.29

Depreciation on assets purchased/sold during the period/year is proportionately charged. Individual assets costing less than Rs. 5,000 are depreciated in full in the year of purchase. The lease hold improvements are written off over the period of lease, ranging from 1 to 9 years, or useful life whichever is lower.

### 3.4 Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects the current market assessments of the time value of money and risk specific to the asset.

### 3.5 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost, less accumulated amortisation.

#### Research and Development Cost

Research costs are expensed as incurred. Development expenditure incurred on an internally generated intangible assets are is recognized as an intangible asset, when the Company can demonstrate all the following:

- (i) The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (ii) Its intention to complete the asset;
- (iii) Its ability to use or sell the asset;

- (iv) That the asset will generate future economic benefits;
- (v) The availability of adequate resources to complete the development and to use or sell the asset; and
- (vi) The ability to reliably measure the expenditure attributable to the intangible asset during its development.

Intangible assets are amortised on a straight line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the Company amortises the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern. Such changes are accounted for in accordance with Accounting standard 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

A summary of amortisation policies applied to the Company's intangible assets is as below:

#### **Goodwill**

Goodwill is amortised on a straight line basis over a period of five years. Carrying value of goodwill is reviewed for impairment annually and otherwise when events or changes in circumstances indicate that the goodwill may be impaired.

#### **Software**

Application software acquired by the Company which provide long term benefits to the Company are capitalized at cost and amortised equally over a period of 5 years being the estimated useful life.

#### **Website development costs**

Website development costs are amortised on a straight line basis over a period of five years being the estimated useful life.

#### **Unique telephone numbers**

Unique telephone numbers are amortised on a straight line basis over a period of five years being the estimated useful life.

#### **Application development costs**

Application development cost capitalized are amortized on a straight line basis over the period of 3 years

being the estimated useful life of the asset

### **3.6 Leases**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term.

### **3.7 Borrowing costs**

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

### **3.8 Investments**

Investments that are readily realisable and intended to be held for not more than a year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties, as applicable.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Non-Current investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary, in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

### **3.9 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

#### **3.9.1 Income from services**

##### **Sale of Search related services**

Revenues from tenure based contracts are recognised pro-rata over the contract period.

Revenues from lead based contracts are recognised as per provision of leads to the customer.

##### **Sale of Review and Rating Certification Services**

Revenues from sale of review and rating certification services are recognised at the time of issuance of the document to the customer.

##### **Other Operating revenue**

Other Operating revenue comprises revenue from reseller providing data collection services to the Company.

Revenue from resellers constitutes a one-time registration fee and an annual fee. The one-time registration fee is recognised when the contract with reseller is entered into and the annual fee is recognised on a prorata basis over the period of the contract.

#### **3.9.2 Interest**

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate



applicable.

### **3.9.3 Dividends**

Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date.

### **3.9.4 Service charges**

Revenue from service charges is recognised upon rendering of services.

## **3.10 Foreign currency translation**

### **3.10.1 Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

### **3.10.2 Conversion**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

### **3.10.3 Exchange differences**

Exchange differences arising on the settlement of monetary items or on reporting such monetary items of Company at rates different from those at which they were initially recorded during the period/year, or reported in previous financial statements, are recognised as income or as expenses in the period/year in which they arise.

## **3.11 Retirement and other employee benefits**

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss of the period/year when the contributions to the Government of India are due. There are no other obligations other than the contribution payable to the Government of India.

Gratuity liability are defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year/period.

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Actuarial gains/losses are immediately taken to the statement of profit and loss are not deferred.

## **3.12 Income taxes**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount

expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year/period and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

### **3.13 Employee stock compensation cost**

In accordance with the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method and recognised, together with a corresponding increase in the “Stock options outstanding account” in reserves. The cumulative expense recognised for equity settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company’s best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognised in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

### **3.14 Segment reporting policies**

The Company’s activities are currently carried out in India and all the services provided by the Company fall in a single business segment.

As there are no separate reportable primary and secondary segments, the disclosures required by Accounting Standard 17 - Segment reporting have not been provided in these financial statements.

### **3.15 Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period/year attributable to equity shareholders (after deducting preference dividends and related attributable taxes) by the weighted average number of equity shares outstanding during the period/year end. The weighted average number of equity shares outstanding during the period/year is adjusted for events of bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period/year attributable to equity shareholders and the weighted average number of shares outstanding during the

period/year are adjusted for the effects of all dilutive potential equity shares.

### **3.16 Provisions**

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

### **3.17 Contingent liabilities.**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

### **3.18 Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

## **4. Investment in subsidiaries and sale of subsidiary**

The Company had invested in Just Dial Inc., a wholly owned subsidiary Company till July 21, 2011, and the balance outstanding on investments are Rs. Nil for the nine months period ended December 31, 2012 and Rs. Nil, Rs.22.51 million, Rs. 22.51 million, Rs. 13.69 million and Rs.13.69 million for the years ended March 31, 2012, 2011, 2010, 2009 and 2008 respectively.

The Company had given loans to Just Dial Inc. and the balance outstanding are Rs. Nil for the nine months period ended December 31, 2012 and Rs. Nil, Rs.34.07 million, Rs. 0.90.million, Rs. 4.28 million and Rs. 0.60 million for the years ended March 31, 2012, 2011, 2010, 2009 and 2008 respectively.

During the year ended March 31, 2012, the Company sold the shares of Just Dial Inc. to Just Dial Global Private Limited ('JD Global') for a consideration of Rs. 22.03 million, reporting a loss of Rs.0.48 million.

The Company did not have any subsidiaries as at and for the nine months period ended December 31, 2012.

## **5. Details of preference shares issued during the year ended March 31, 2012 and 2008.**

- 5.1 Issued subscribed and fully paid 34,169 6% Cumulative redeemable optionally convertible preference shares (Series A) of face value Rs.10 per share for a price of Rs.4, 594.94 per share on June 22, 2007.
- 5.2 Issued subscribed and fully paid 8,713 6% Cumulative redeemable optionally convertible preference shares (Series A) of face value Rs.10 per share for a price of Rs.4, 606.99 per share on July 3, 2007.
- 5.3 .Issued subscribed and fully paid 1,798 6% Cumulative redeemable optionally convertible preference shares (Series A) of face value Rs.10 per share for a price of Rs.4, 606.99 per share on July 3, 2007.
- 5.4 Issued subscribed and fully paid 1, 0.1% Non-cumulative redeemable optionally convertible preference share (Series B) of face value Rs.10 per share for a price of Rs.10 per share on July 3, 2007.
- 5.5 Issued subscribed and fully paid 968,060, 6% Non-cumulative redeemable compulsorily convertible preference shares (Series C) of face value of Rs.10 per share for a price of Rs.344.88 per share on May

31, 2011.

## 6. Capital Commitments

Estimated amounts of contracts to be executed on capital account and not provided for in the accounts of the Company, net of advances, is Rs.22.73 million as at December 31, 2012, Rs.38.98 million as at March 31, 2012, Rs.19.87 million as at March 31, 2011, Rs.8.64 million as at March 31, 2010, Rs. Nil as at March 31, 2009 and Rs Nil as at March 31, 2008.

## 7. Employee benefits

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summarize the components of net gratuity benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plans.

### Statement of Profit and Loss.

#### Net employee benefit expenses (recognised in employee cost)

Rs. in million

Particulars	Nine months period ended December 31, 2012	Year ended				
		March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Current service cost	6.35	7.27	5.13	3.79	1.94	2.79
Interest cost on benefit obligation	2.68	2.19	1.08	0.77	0.49	0.74
Expected return on plan assets	(2.65)	(2.33)	(1.68)	(1.08)	(0.70)	(0.48)
Net actuarial (gain) / loss recognised in the period/year	5.89	9.84	1.67	0.24	1.64	(1.02)
<b>Net Benefit expense</b>	<b>12.27</b>	<b>16.97</b>	<b>6.20</b>	<b>3.72</b>	<b>3.37</b>	<b>2.03</b>
Actual Return on Plan Assets	2.66	2.62	1.68	1.08	0.70	0.48

### Balance sheet

#### Details of Provision for Gratuity

Rs. in million

Particulars	As at					
	December 31, 2012	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Defined benefit obligation	51.19	38.59	20.49	13.55	9.67	6.11
Fair value of plan assets	41.34	41.01	29.10	16.49	7.76	6.80
Plan asset/(liability)	<b>(9.85)</b>	<b>2.42</b>	<b>8.61</b>	<b>2.94</b>	<b>(1.91)</b>	<b>0.69</b>

Changes in the present value of the defined benefit obligation are as follows:

Particulars	Rs. in million					
	As at					
	December 31, 2012	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Opening defined benefit obligation	38.59	20.49	13.55	9.67	6.11	4.10
Interest cost	2.68	2.19	1.08	0.77	0.49	0.74
Current service cost	6.35	7.27	5.13	3.79	1.94	2.79
Less: benefits paid	(2.33)	(1.49)	(0.94)	(0.92)	(0.51)	(0.50)
Actuarial (gains) / losses on obligation	5.90	10.13	1.67	0.24	1.64	(1.02)
<b>Closing defined benefit obligation</b>	<b>51.19</b>	<b>38.59</b>	<b>20.49</b>	<b>13.55</b>	<b>9.67</b>	<b>6.11</b>

Changes in the fair value of the defined benefit obligation are as follows:

Particulars	Rs. in million					
	As at					
	December 31, 2012	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Opening fair value of plan assets	41.01	29.10	16.49	7.76	6.80	5.59
Expected return	2.65	2.33	1.68	1.08	0.70	0.48
Contributions by employer	-	10.78	11.87	8.57	-	2.85
Less: benefits paid	(2.33)	(1.49)	(0.94)	(0.92)	(0.51)	(0.50)
Less: Actuarial gains/(losses)	0.01	0.29	-	-	0.77	(1.62)
<b>Closing fair value of plan assets</b>	<b>41.34</b>	<b>41.01</b>	<b>29.10</b>	<b>16.49</b>	<b>7.76</b>	<b>6.80</b>

The Company expects to contribute approximately an additional Rs 8,000,000 i.e.Rs 8 million to gratuity in the year ended March 31, 2013.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	Nine months period ended December 31, 2012	Year ended				
		March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
	(%)	(%)	(%)	(%)	(%)	(%)
Investments with insurer	100	100	100	100	100	100

The overall expected rate of return on assets is determined based on the market prices prevailing on the date, applicable to the period over which the obligation is to be settled.

The principal assumptions used in determining gratuity for the Company's plans are shown below:

Particulars	Nine months period ended December 31, 2012	Year ended				
		March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Discount Rate	7.90%	8.35%	8.00%	8.00%	8.00%	8.00%
Salary Escalation	7.00%	7.00%	5.00%	5.00%	5.00%	7.00%
Withdrawal Rate	0% -57% depending on age and designation	0% -57% depending on age and designation	1-3 % depending on age	1-3% depending on age	1-3% depending on age	1-3% depending on age

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

#### Experience adjustments:

Amounts for the current period and previous five years are as follows:

**Rs. in million**

Particulars	Nine months period ended December 31, 2012	Year ended				
		March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Defined benefit obligation	51.19	38.59	20.49	13.55	9.67	6.11
Plan assets	41.34	41.01	29.10	16.49	7.76	6.80
<b>Surplus/ (deficit)</b>	<b>(9.85)</b>	<b>2.42</b>	<b>8.61</b>	<b>2.94</b>	<b>(1.91)</b>	<b>0.69</b>
Experience adjustment on plan liabilities	4.67	1.65	1.67	0.24	1.64	(0.98)
Experience adjustment on plan assets	0.01	0.29	-	-	-	(0.02)

#### 8. Operating lease

Office premises are obtained on operating lease. The lease rent is payable as per the terms of the lease agreements. The lease terms are different for each of the leases and the maximum lease term ranging from 1 year to 9 years. Some of the leases are renewable for further 5 years at the option of the Company. There are escalation clauses in the lease agreement for which rent is provided on straight lining basis. There is a lock in period of minimum 3 years in some lease agreements. There are no subleases.

Details of lease payments during the period and future commitments on non-cancellable operating leases are as follows.

**Rs. in million**

Particulars	As at					
	December 31, 2012	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Lease payments for the period/year	113.70	119.44	90.68	70.51	40.84	34.32

Particulars	As at					
	December 31, 2012	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Minimum Lease Payments :						
Not later than one year	159.02	127.14	103.34	69.36	27.88	32.29
Later than one year but not later than five years	425.00	363.65	327.07	237.06	73.96	29.67
Later than five years	132.76	87.89	119.07	113.92	25.64	6.05

9. **Deferred tax assets/ (liabilities)**

Components of Deferred tax assets/ (liabilities) are as follows:

Rs. in million

Timing difference on account of	As at					
	December 31, 2012	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
<b>Deferred tax assets</b>						
Expenditure debited to statement of profit and loss in the respective years but allowable in tax returns in subsequent years	23.67	17.87	16.73	14.71	9.20	7.03
Revenue taxed on receipt basis	-	-	1.17	4.38	129.16	115.00
Preliminary expense	0.95	1.26	1.69	-	-	-
Carried forward losses	-	-	-	20.48	-	-
<b>Gross deferred tax assets (A)</b>	<b>24.62</b>	<b>19.13</b>	<b>19.59</b>	<b>39.57</b>	<b>138.36</b>	<b>122.03</b>
<b>Deferred tax liability</b>						
Difference between tax depreciation and book depreciation	(26.46)	(9.99)	(7.16)	(11.68)	(11.49)	(8.81)
<b>Gross deferred tax liabilities (B)</b>	<b>(26.46)</b>	<b>(9.99)</b>	<b>(7.16)</b>	<b>(11.68)</b>	<b>(11.49)</b>	<b>(8.81)</b>
<b>Net deferred tax assets/ (liabilities) (A+B)</b>	<b>(1.84)</b>	<b>9.14</b>	<b>12.43</b>	<b>27.89</b>	<b>126.87</b>	<b>113.22</b>

10. **Earnings per share ('EPS')**

The calculations of earnings per share are based on the net profit and number of shares as computed below:

Rs. in million (except EPS in Rs.)

Particulars	Nine months period ended December 31, 2012	Year ended				
		March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Net profit as per statement of profit and loss as restated	470.78	505.81	288.25	193.25	75.41	20.89
Less: Dividends on convertible preference shares & tax	-	42.01	43.16	52.81	52.81	49.21

Particulars	Nine months period ended December 31, 2012	Year ended				
		March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
thereon						
Net profit for calculation of basic EPS	470.78	463.80	245.09	140.44	22.60	(28.32)
Weighted number of equity shares for calculating basic EPS	65,507,085	51,907,807	51,591,690	47,948,208	47,948,208	47,948,208
Basic EPS	7.19	8.93	4.75	2.93	0.47	(0.59)
Weighted number of equity shares for calculating diluted EPS	68,313,310	64,980,754	62,731,629	47,960,764	47,954,195	-
Diluted EPS	6.89	7.78	4.60	2.93	0.47	(0.59)

Note: The Company has Nil (2011-12: 195,565, 2010-11: 195,565, 2009-10: 252,486, 2008-09: 252,486, 2007-08: 252,486) 6% cumulative convertible preference shares, Nil (2011-12: 1, 2010-11: 1, 2009-10: 1, 2008-09: 1 and 2007-08: 1) 0.1% non-cumulative convertible preference shares and Nil (2011-12: 968,060, 2010-11: Nil, 2009-10: Nil, 2008-09 Nil, and 2007-08: Nil) 6% non-cumulative compulsorily convertible preference shares outstanding as at December 31, 2012. However, this has not been considered for diluted EPS for the years ended March 31, 2010, 2009 and 2008 as they are anti-dilutive in nature. ESOP issued to employees has not been considered for diluted EPS for the years ended March 31, 2008 as they are anti-dilutive in nature.

#### 11. Details of dues to Micro and Small Enterprises as per MSMED Act, 2006.

The Company does not have suppliers who are registered as micro or small enterprise under the Micro, Small and Medium Enterprises Development Act, 2006 as at December 31, 2012, March 31, 2012, 2011, 2010, 2009 and 2008. The information regarding micro or small enterprises has been determined on the basis of information available with the management.

#### 12. Provision for employee related liability

In January 2011, the Company received a show cause notice for the applicability of Employees State Insurance Corporation Act (ESIC), subsequent to which an assessment order was issued by the ESIC authorities, whereby liability of Rs. 6.53 million was assessed up to September 2010. The order, however, states that it is issued without prejudice to ESIC's right to inspect the records of the said period and determine the contributions on the basis of the said inspection. The Company has filed application against this order in the Employees' Insurance Court, Mumbai claiming the provisions of ESIC are not applicable to it.

The Company has recorded the ESIC provision of Rs 32.13 million during the year ended March 31, 2010 pertaining to previous five years ended March 31, 2010. The Company has deposited the amount of Rs. 4.47 million (Rs 1.87 million pertaining to period upto March 31, 2010) under protest. The Company continues to maintain a provision for ESIC of Rs 30.25 million as at December 31, 2012, March 31, 2012 and March 31, 2011 based on estimates and as per the provisions of the ESIC Act.

#### 13. Employee stock option plans:

1. The Company has provided various share-based payment schemes to its employees. During the nine



months period ended December 31, 2012 and for the last five years ended March 31, 2012, 2011, 2010, 2009 and 2008 the following schemes were in operation:

	Pool	Date of grant	Date of Board/ Shareholders' Approval	Number of options granted	Vesting Year	Vesting Conditions
<b>ESOP Scheme 2007</b>	Pool 1	29-Mar-07	15-Mar-07	9,400	4 Years	25% vests every year from the grant date subject to continuance of services
<b>ESOP Scheme 2008</b>	Pool 2	31-Jan-09	19-Jan-09	11,170	4 Years	10%, 20%, 30% & 40% vests in each of the first 4 years from the date of the grant subject to continuance of services
	Pool 3	31-Jan-10	27-Jan-10	400	4 years	10%, 20%, 30% & 40% vests in each of the first 4 years from the date of the grant subject to continuance of services
	Pool 4	25-Mar-10	22-Mar-10	6,975	1 Year	100% vests immediately
<b>ESOP Scheme 2010</b>	Pool 5	30-Apr-10	24-Apr-10	82,936	4 Years	25% vests every year from the grant date subject to continuance of services
	Pool 6	27-Jul-10	27-Jul-10	640,727	4 Years	10%, 20%, 30% & 40% vests in each of the first 4 years from the date of the grant subject to continuance of services
	Pool 6	31-Oct-10	20-Oct-10	155,176	4 Years	10%, 20%, 30% & 40% vests in each of the first 4 years from the date of the grant subject to continuance of services
	Pool 6	1-Dec-10	1-Dec-10	138,525	4 Years	10%, 20%, 30% & 40% vests in each of the first 4 years from the date of the grant subject to continuance of services
	Pool 6	25-Mar-11	25-Mar-11	10,311	4 Years	10%, 20%, 30% & 40% vests in each of the first 4 years from the date of the grant subject to continuance of services

- a) The details of activity under Pool 1 of ESOP scheme 2007 with weighted average exercise price of Rs.10 have been summarised below:

Particulars	Number of options					
	December 31, 2012	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Outstanding at the beginning of the period/year	-	-	5,648	6,023	6,623	7,073

Particulars	Number of options					
	December 31, 2012	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Forfeited during the period/year	-	-	-	375	600	450
Exercised during the period/year	-	-	5,648	-	-	-
Outstanding at the end of the period/year	-	-	-	5,648	6,023	6,623
Exercisable at the end of the period/year	-	-	-	5,648	3,673	1,927
Weighted average remaining contractual life (in years)	-	-	-	3	4	5
Weighted average fair value of options granted on the date of grant	-	-	1,693	1,693	1,693	1,693

- b) The details of activity under Pool 2 of ESOP Scheme 2008 with weighted average exercise price of Rs 4,595 have been summarised below:

Particulars	Number of Options					
	December 31, 2012	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Outstanding at the beginning of the period/year	11,170	11,170	11,170	11,170	-	-
Granted during the period/year	-	-	-	-	11,170	-
Exercised during the period/year	6,702	-	-	-	-	-
Outstanding at the end of the period/year	4,468	11,170	11,170	11,170	11,170	-
Exercisable at the end of the period/year	-	6,702	3,351	1,117	-	-
Weighted average remaining contractual life (in years)	3	4	5	6	7	-
Weighted average fair value of options granted on the date of grant	48	48	48	48	48	-

- c) The details of activity under Pool 3 of ESOP Scheme 2008 with weighted average exercise price of Rs 4,500 have been summarised below:

Particulars	Number of options					
	December 31, 2012	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Outstanding at the beginning of the period/year	400	400	400	-	-	-

Particulars	Number of options					
	December 31, 2012	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Granted during the period/year	-	-	-	400	-	-
Forfeited during the period/year	280	-	-	-	-	-
Exercised during the period/year	120	-	-	-	-	-
Outstanding at the end of the period/year	-	400	400	400	-	-
Exercisable at the end of the period/year	-	120	40	-	-	-
Weighted average remaining contractual life (in years)	-	5	6	7	-	-
Weighted average fair value of options granted on the date of grant	531	531	531	531	-	-

- d) The details of activity under Pool 4 of ESOP Scheme 2008 with weighted average exercise price of Rs.10 have been summarised below:

Particulars	Number of options					
	December 31, 2012	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Outstanding at the beginning of the period/year	-	-	6,975	-	-	-
Granted during the period/year	-	-	-	6,975	-	-
Exercised during the period/year	-	-	6,975	-	-	-
Outstanding at the end of the period/year	-	-	-	6,975	-	-
Exercisable at the end of the period/year	-	-	-	6,975	-	-
Weighted average fair value of options granted	-	-	2,094	2,094	-	-

- e) The details of activity under Pool 5 of ESOP Scheme 2010 with weighted average exercise price of Rs.80 have been summarised below:

Particulars	Number of options					
	December 31, 2012	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Outstanding at the beginning of the period/year	80,136	82,936	-	-	-	-
Granted during the period/year	-	-	82,936	-	-	-

Particulars	Number of options					
	December 31, 2012	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Exercised during the period/year	28,303	2800	-	-	-	-
Outstanding at the end of the period/year	51,833	80,136	82,936	-	-	-
Exercisable at the end of the period/year	10,365	17,934	-	-	-	-
Weighted average remaining contractual life (in years)	5	6	7	-	-	-
Weighted average fair value of options granted	37	37	37	-	-	-

- f) The details of activity under Pool 6 of ESOP Scheme 2010 with weighted average exercise price of Rs.69 have been summarised below:

Particulars	Number of options					
	December 31, 2012	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Outstanding at the beginning of the period/year with exercise price of Rs.10.	155,176	155,176	-	-	-	-
Outstanding at the beginning of the period/year with exercise price of Rs.80.	789,563	789,563	-	-	-	-
Forfeited during the period/year with exercise price of Rs.10.	-	-	-	-	-	-
Forfeited during the period/year with exercise price of Rs.80.	68,756	-	-	-	-	-
Granted during the period/year with exercise price of Rs.10.	-	-	155,176	-	-	-
Granted during the period/year with exercise price of Rs.80.	-	-	789,563	-	-	-
Exercised during the period/year with exercise price of	15,518	-	-	-	-	-

Particulars	Number of options					
	December 31, 2012	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Rs.10.						
Exercised during the period/year with exercise price of Rs.80.	54,052	-	-	-	-	-
Outstanding at the end of the period/year with an exercise price of Rs.10	139,658	155,176	155,176	-	-	-
Outstanding at the end of the period/year with an exercise price of Rs.80	666,755	789,563	789,563	-	-	-
Exercisable at the end of the period/year with an exercise price of Rs.10	31,035	15,518	-	-	-	-
Exercisable at the end of the period/year with an exercise price of Rs.80	160,166	78,956	-	-	-	-
Weighted average remaining contractual life (in years)	5	6	7	-	-	-
Weighted average fair value of options granted	44	44	44	-	-	-

2. Effect of the employee share-based payment plans on the statement of profit and loss and on its financial position:

Particulars	Nine months period ended December 31, 2012	Rs. in million				
		Year ended				
		March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Total employee compensation cost pertaining to share based payment plans (all equity settled)	3.19	5.60	3.24	13.97	2.55	6.14
Employee compensation cost transferred to Share Premium in the respective period/years	(1.58)	(0.01)	(22.67)	-	-	-
Liability for employee stock option outstanding as at year end	10.44	8.83	3.24	22.67	8.69	6.14

3. Impact on the reported net profit and earnings per share by applying the fair value based method

As per guidance note on 'Accounting for Employees Share Based Payments' issued by the Institute of Chartered Accountants of India, the Proforma disclosures of the impact of the fair value method of accounting of employee stock compensation accounting in the financial statements on the reported net profit and earnings per share would be as follows:

**Rs. in million (except EPS in Rs.)**

Particulars	Nine months period ended December 31, 2012	Year ended				
		March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Profit as per unconsolidated restated financials	470.78	505.81	288.25	193.25	75.41	20.89
Less: Dividends on convertible preference shares & tax thereon	-	42.01	43.16	52.81	52.81	49.21
Add: Employee stock compensation under intrinsic value method	3.19	5.60	3.24	13.97	2.55	6.14
Less: Employee stock compensation under fair value method	8.43	15.27	9.65	15.01	5.12	12.54
Proforma profit	465.54	454.13	238.68	139.40	20.03	(34.72)
Earnings per share						
Basic earnings per share						
As reported	7.19	8.93	4.75	2.93	0.47	(0.59)
Proforma	7.11	8.75	4.60	2.91	0.42	(0.72)
Diluted earnings per share						
As reported	6.89	7.78	4.60	2.93	0.47	(0.59)
Proforma	6.81	7.64	4.47	2.91	0.42	(0.72)

#### 4. Stock Options granted

There are no options granted during the nine months period ended December 31, 2012 and the year ended March 31, 2012. The weighted average fair value of stock options granted during the previous years is provided in the table below. Black-Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	2011		2010		2009	
	Pool 6	Pool 5	Pool 4	Pool 3	Pool 2	
Weighted average share price (Rs) (Refer note 1)	85	85	85	2,600	2,100	2,600
Exercise Price (Rs.)	80	10	80	10	4,500	4,595
Expected Volatility	-	-	-	-	-	-
Historical Volatility	-	-	-	-	-	-
Life of the options granted in years	7	7	7	7	7	7
Expected dividends	-	-	-	-	-	-
Average risk-free interest rate	7.69%	7.53%	7.69%	7.58%	7.67%	7.87%
Expected dividend rate	-	-	-	-	-	-

As the Company is unlisted, the expected volatility and historical volatility is assumed to be nil.

Note:

Bonus shares: The exercise price for ESOP Pool 2 and 3 and the weighted average fair value of options for Pool 2, and Pool 3 are higher compared to ESOP Pool 5 and Pool 6 as Company had issued bonus shares in the ratio of 55 shares for every 1 share held during the year ended March 31, 2011. The employees holding ESOP under Pool 2 and 3 are eligible to receive bonus shares on exercise of their options.

**14. Expenditure in foreign currency (accrual basis)**

**Rs in million**

Particulars	Nine months period ended December 31, 2012	Year ended				
		March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Travel Expenses	0.40	0.29	1.21	1.21	0.37	3.29
Communication expenses	0.00	0.05	1.68	0.25	0.12	-
Advertisement Expense	2.29	2.70	1.77	-	-	-
Others	-	0.35	1.05	1.04	0.03	-
<b>Total</b>	<b>2.69</b>	<b>3.39</b>	<b>5.71</b>	<b>2.50</b>	<b>0.52</b>	<b>3.29</b>

**15. Value of imports calculated on CIF basis**

**Rs. in million**

Particulars	Nine months period ended December 31, 2012	Year ended				
		March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Capital goods	-	2.81	29.85	-	-	-
<b>Total</b>	<b>-</b>	<b>2.81</b>	<b>29.85</b>	<b>-</b>	<b>-</b>	<b>-</b>

**16. Earning in foreign currency (accrual basis)**

**Rs. in million**

Particulars	Nine months period ended December 31, 2012	Year ended				
		March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Interest Income	-	2.13	0.75	-	-	-
Royalty income	-	0.03	-	-	-	-
<b>Total</b>	<b>-</b>	<b>2.16</b>	<b>0.75</b>	<b>-</b>	<b>-</b>	<b>-</b>

**17. Unhedged foreign Currency Exposure**

Particulars of un-hedged foreign currency exposure as at the Balance Sheet date

**Rs. in million**

Particulars	As at					
	December 31, 2012	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Loan to Subsidiary - Just Dial Inc. – Delaware	-	-	34.07	0.90	-	-
Loan to Subsidiary - Just Dial Inc. – Florida	-	-	-	-	4.28	0.60
Investment in subsidiary – Just Dial Inc. – Delaware	-	-	22.51	22.51	-	-
Investment in subsidiary – Just Dial Inc. – Florida	-	-	-	-	13.69	13.69
Royalty- Receivable– Just	-	0.03	-	-	-	-

Particulars	As at					
	December 31, 2012	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Dial Inc.						
<b>Total</b>	-	<b>0.03</b>	<b>56.58</b>	<b>23.41</b>	<b>17.97</b>	<b>14.29</b>

**18. a) Scheme of arrangement with Just Dial Global Private Limited**

During the year ended March 31, 2011, pursuant to a High Court sanctioned scheme under section 391 to 394 read with sections 100 to 103 of the Companies Act, 1956, Just Dial Global Private Limited ('JD Global'), the erstwhile subsidiary of the Company reduced its share capital by cancelling 525,000 shares being the entire holding of the Company in JD Global with effect from April 1, 2010 and by paying back Rs.5.25 million to the Company.

- 18. b)** Further, during the year ended March 31, 2011 the Company invested Rs.144.76 million in 306,495, 6% cumulative redeemable (optionally convertible) preference shares of Rs 10 each and during the year ended March 31, 2012 the Company has invested a further sum of Rs.580 million in 305,263, 0.01% cumulative redeemable (optionally convertible) preference shares of Rs 10 each in JD Global.

**19. Demerger of part of testing service business undertaking**

During the year ended March 31, 2012, the Honorable High Court of Bombay vide its order dated October 14, 2011 had approved the demerger of undertaking providing IT testing business and other related services along with the IT infrastructure utilised for providing such services and the Company's investment in Just Dial Global Private Limited ('JD Global') to JD Global.

Pursuant to the Scheme, from the appointed date of August 1, 2011 the book value of assets of IT testing business of Rs. 0.25 million and the Company's aggregate investment in preference shares of JD Global of Rs. 724.76 million were transferred to JD Global. There were no liabilities pertaining to the Demerged Undertaking. The value of the assets including the preference shares held by the Company in JD Global aggregating to Rs. 725.01 million transferred pursuant to the Scheme was adjusted against balance in the Company's securities premium account to the extent of Rs. 326.64 million and the balance of Rs. 398.37 million was adjusted against surplus i.e. the balance in statement of profit and loss during the year ended March 31, 2012.

As a consideration for transfer, the equity and preference shareholders of the Company as on August 1, 2011 received equity shares in JD Global in proportion to their shareholding in the Company.

**20. Discontinuing operations**

As indicated in the note 19 above, during the previous year, the Company demerged the IT testing business and other related services along with the IT infrastructure utilised for providing such services. The details of revenue expenses and profits relating to the IT related and other related services (discontinuing operations) are as follows:

Particulars	Year ended March 31, 2012 (Rs in millions)
<b>Revenue</b>	<b>2.97</b>
Expenses	(0.67)
Profit before tax	2.30
<b>Tax expense</b>	
Current Tax	(0.71)
<b>Total tax expense</b>	<b>(0.71)</b>
<b>Profit after tax</b>	<b>1.59</b>



21. Other expenses include printing and publication expenses relating to yellow pages publication services Rs. Nil for the nine months period ended December 31, 2012 and Rs. Nil, Rs. Nil, Rs. 19.99 million, Rs. 38.22 million and Rs. 36.99 million for the years ended March 31, 2012, 2011, 2010, 2009 and 2008 respectively.

**22. Share issue expenses**

(a) Share issue expenses as at March 31, 2012 comprises of expenses incurred in connection with the initial DRHP. During the nine months period ended December 31, 2012, the Company had reconsidered its plan for the proposed initial public offering of equity shares. Consequently, the Company has withdrawn the Draft Red Herring Prospectus dated August 12, 2011 (the "initial DRHP") filed with the Securities and Exchange Board of India (the "SEBI") for the Company's proposed initial public offering through a fresh issue and an offer for sale by certain shareholders.

During the period ended December 31, 2012, consequent to the withdrawal of the DRHP, based on the legal opinion obtained, the Company has adjusted the expenses of Rs.39.29 million incurred in connection with the preparation of the initial DRHP against the securities premium account in accordance with Section 78 of the Companies Act, 1956 as the new investors relied on the initial DRHP for the investment made during the nine month period. The balance expense of Rs.15.25 million has been charged to the statement of profit and loss under the head of exceptional items.

(b) The Company now proposes to make an IPO through offer for sale of equity shares of Rs.10 each by certain shareholders at such premium, arrived at by 100% book building process (referred to as the "Issue"), as may be decided by the Board of Directors of the Company. The Company has submitted the Draft Red Herring Prospectus dated August 13, 2012 with the SEBI for the Issue.

The SEBI vide its observation letter dated March 20, 2013, stated that the issue can be open for subscription within period of 12 months from the date of observation letter, subject to compliance by the Company with conditions and observations mentioned in the observation letter.

As per offer agreement between the Company and the selling shareholders, all expenses with respect to the Issue will be borne by the selling shareholders. Accordingly, the Company has classified the expenses incurred in connection with the Issue as receivable from selling shareholders under Other receivables.

**23. Events Subsequent to December 31, 2012**

- (a) On January 23, 2013, the Company has allotted 59,064 equity shares to employees holding options under Pool 5 and 6 each convertible into 1 equity share on exercise by them.
- (b) Further on April 3, 2013, Board approved the allotment of 97,744 equity shares to employees holding ESOP options under Pool 5 and 6 and the allotment of 250,208 equity shares (including 245,740 bonus equity shares in the ratio of 55:1) to employees holding 4,468 options under Pool 2.

As per our report of even date For and on behalf of the Board of Directors

**For S. R. Batliboi & Associates LLP**  
**Firm Registration No. 101049W**  
**Chartered Accountants**

per Govind Ahuja  
Partner  
Membership No. 48966

Place: Mumbai  
Date: April 3, 2013

**Annexure V - Restated Unconsolidated Statement of Reserves and Surplus**

**Rs. in million**

Particulars	As at					
	31-Dec-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
<b>A. Capital redemption reserve</b>						
Balance as per last financial statements	-	-	0.87	0.87	0.87	0.87
Less: utilized for bonus shares issued	-	-	(0.87)	-	-	-
<b>Closing balance</b>	-	-	-	<b>0.87</b>	<b>0.87</b>	<b>0.87</b>
<b>B. Securities premium account</b>						
Balance as per last financial statements	-	4.40	381.70	381.70	381.70	180.64
Add: receipt on issue of preference shares	-	324.18	-	-	-	204.98
Add: receipt on issue of equity shares	2,458.63	-	4.40	-	-	-
Add: additions on ESOPs exercised	37.03	0.20	-	-	-	-
Add: transferred from stock options outstanding	1.58	0.01	22.67	-	-	-
Less: share issue expenses	(46.34)	(2.15)	-	-	-	(3.92)
Less: utilized for bonus shares issued	-	-	(404.37)	-	-	-
Less: utilized for bonus shares issued on exercise of ESOP	(3.75)	-	-	-	-	-
Less: adjustment related to demerger (Refer Note 19 of Annexure IVC)	-	(326.64)	-	-	-	-
<b>Closing balance</b>	<b>2,447.15</b>	-	<b>4.40</b>	<b>381.70</b>	<b>381.70</b>	<b>381.70</b>
<b>C. Stock options outstanding account</b>						
Gross employee stock compensation for option granted in earlier years	15.99	16.00	22.67	9.55	9.55	9.55
Add: gross compensation for options granted during the period/year	-	-	16.00	13.12	-	-
Less: transferred to securities premium on exercise of stock options	(1.58)	(0.01)	(22.67)	-	-	-
Less: deferred employee compensation outstanding	(3.97)	(7.16)	(12.76)	-	(0.86)	(3.41)
<b>Closing balance</b>	<b>10.44</b>	<b>8.83</b>	<b>3.24</b>	<b>22.67</b>	<b>8.69</b>	<b>6.14</b>
<b>D. General reserve</b>						
Balance as per last financial statements	-	-	37.43	37.43	25.31	15.96
Add: transferred from statement of profit and loss	-	-	-	-	12.12	9.35
Less: utilised for bonus shares issued	-	-	(37.43)	-	-	-
<b>Closing balance</b>	-	-	-	<b>37.43</b>	<b>37.43</b>	<b>25.31</b>
<b>E. Surplus/(deficit) i.e. the balance in statement of profit and loss as restated</b>						
Balance as per last financial	532.88	425.44	203.68	10.43	(52.86)	(61.80)

Particulars	As at					
	31-Dec-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
statements as restated						
Add: restated profit for the period/year	470.78	505.81	288.25	193.25	75.41	20.89
Less: adjustments						
Utilised for bonus shares	-	-	(66.49)	-	-	-
Utilised for bonus shares issued on conversion of preference shares	(107.56)	-	-	-	-	-
Adjustment pursuant to demerger (Refer Note 19 of Annexure IVC)	-	(398.37)	-	-	-	-
Less: Appropriation						
Proposed dividend	-	-	-	-	-	(2.22)
Corporate dividend tax	-	-	-	-	-	(0.38)
Transfer to general reserve	-	-	-	-	(12.12)	(9.35)
<b>Total appropriation</b>	-	-	-	-	<b>(12.12)</b>	<b>(11.95)</b>
<b>Net surplus/(deficit) in the statement of profit and loss as restated</b>	<b>896.10</b>	<b>532.88</b>	<b>425.44</b>	<b>203.68</b>	<b>10.43</b>	<b>(52.86)</b>
<b>Total (A + B + C + D + E)</b>	<b>3,353.69</b>	<b>541.71</b>	<b>433.08</b>	<b>646.35</b>	<b>439.12</b>	<b>361.16</b>

**Notes:**

- 1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA, IVB & IVC.
- 3) During the year ended March 31, 2011, the Company has issued bonus shares, in the ratio of 55 shares for every one share held, to the existing equity shareholders and holders of preference shares who got converted into equity shares, by way of capitalization of securities premium and other reserves which has been approved at the extraordinary general meeting held by the Company on April 24, 2010.
- 4) As per the terms of issue of Preference shares, Preference shareholders were eligible for bonus shares approved by Shareholders on equity shares. During the year ended March 31, 2011, Shareholders had approved bonus shares whereby 55 shares were issued for each share held. In the current period, on conversion of preference shares the Company allotted bonus shares to the preference shareholders in the same ratio.
- 5) Employees holding 6,822 ESOP options under Pool 2 and Pool 3 were also eligible for the above mentioned bonus shares approved by Shareholders on equity shares.

**Annexure VI - Restated Unconsolidated Statement of Non-Current Investments**
**Rs. in million**

Particulars	No. of shares/units						As at					
	31-Dec-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Dec-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
<b>Non current investments</b>												
Investment in equity instruments (subsidiaries) - other than trade unquoted (valued at cost)												
Just Dial Inc (Delaware, USA) equity shares of USD 0.01 each	-	-	-	1,000	-	-	-	-	-	22.51	-	-
Just Dial Inc (Florida - USA) equity shares of USD 0.01 each	-	-	-	-	1,500	1,500	-	-	-	-	13.69	13.69
<b>Total Non current investments</b>							-	-	-	<b>22.51</b>	<b>13.69</b>	<b>13.69</b>

**Notes:**

- 1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA, IVB & IVC.
- 3) These investments are in the name of the Company.

**Annexure VII - Restated Unconsolidated Statement of Current Investments**

**Rs. in million**

Particulars	No. of shares/units						As at					
	31-Dec-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Dec-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
<b>Current portion of long term investments (unquoted valued at cost)</b>												
<b>Investment in equity instruments (subsidiaries) - other than trade</b>												
Just Dial Inc (Delaware, USA) equity shares of USD 0.01 each	-	-	1,000	-	-	-	-	-	22.51	-	-	-
Just Dial Global Private Limited equity shares of Rs.10 each	-	-	-	525,000	-	-	-	-	-	5.25	-	-
<b>Total investment in equity instruments</b>									<b>22.51</b>	<b>5.25</b>		
<b>Investments in preference shares</b>												
Just Dial Global Private Limited - Optionally Convertible Preference Shares of Rs.10 each	-	306,495	306,495	-	-	-	-	144.76	144.76	-	-	-
Just Dial Global Private Limited - Optionally Convertible Preference Shares of Rs.10 each	-	305,263	-	-	-	-	-	580.00	-	-	-	-
								<b>724.76</b>	<b>144.76</b>			
Less: Adjusted pursuant to demerger (Refer Note 19 of Annexure IVC)	-	-	-	-	-	-	-	724.76	-	-	-	-
<b>Total investments in preference shares</b>									<b>144.76</b>			
<b>Current investments</b>												
Current investments in mutual funds (valued at lower of cost and fair value) (other than trade unquoted)												
Pru ICICI Liquid Plan inst liquid daily dividend	-	-	-	-	-	3,206	-	-	-	-	-	0.03
DWS Money Plus Fund Institutional Plan-Weekly	-	-	-	-	-	10,369,616	-	-	-	-	-	104.10
DWS Credit Opportunities Cash Fund Regular Plan Monthly	-	-	-	-	-	10,180,690	-	-	-	-	-	102.87
ICICI Pru Inst Liq- Daily Dividend	-	-	-	-	-	3,245	-	-	-	-	-	0.03
Standard Chartered Fixed Maturity Plan Yearly Series 2 Growth	-	-	-	-	-	15,000,000	-	-	-	-	-	150.00
Sundaram BNP Paribas Liquid Plus Super Institutional Dividend	-	-	-	-	-	927	-	-	-	-	-	0.01
Templeton Fixed Horizon Fund Series VII - Plan C - Institutional units	-	-	-	-	5,000,000	5,000,000	-	-	-	-	50.00	50.00
Birla Sunlife dynamic bond fund - Retail Plan- Monthly Dividend	-	-	-	5,123,409	4,858,795	-	-	-	-	53.35	50.72	-
Birla Sun Life Dynamic Bond Fund-Retail	-	-	-	5,292,729	-	-	-	-	-	55.11	-	-
Birla SunLife FMP-Series1 -Annual Dividend Reinvestment	-	-	-	-	5,122,097	-	-	-	-	-	51.22	-
Birla Sunlife Short Term Fund-Institutional Daily Dividend	-	-	-	-	5,154,010	-	-	-	-	-	51.57	-
Fortis Money Plus Institutional Plan Daily Dividend	-	-	-	9,640,176	3,184,611	-	-	-	-	96.42	31.85	-
HDFC CMF-Treasure Advantage Plan Wholesale -Dividend	-	-	-	-	2,824,544	-	-	-	-	-	30.04	-
HDFC CMF-Saving Plan Daily Dividend Reinvestment	-	-	-	8,926,486	2,039,866	-	-	-	-	89.55	20.46	-
HDFC Short term plan - Dividend Reinvest	-	-	-	-	4,847,403	-	-	-	-	-	50.00	-
Reliance Medium Term Fund - Weekly Dividend Plan	-	-	-	6,429,310	3,891,469	-	-	-	-	109.94	66.61	-
Reliance Regular Savings Fund-Debt Option	-	-	-	8,465,614	-	-	-	-	-	102.53	-	-
Birla Sun Life Saving Fund-Institutional Daily Dividend	-	-	-	5,362,896	-	-	-	-	-	53.67	-	-
ICICI Prudential Blended Plan-A	-	-	-	2,920,163	-	-	-	-	-	30.00	-	-
IDFC Money Manager Fund-Investment Plan	-	-	-	6,098,135	-	-	-	-	-	61.07	-	-
Kotak Equity Arbitrage Fund	-	-	-	3,665,525	-	-	-	-	-	38.71	-	-
UTI FMP-Quarterly Series-Dividend Option	-	-	-	3,250,000	-	-	-	-	-	32.50	-	-
Birla Sun Life MIP 2 Saving 5-	-	-	1,646,940	1,646,940	-	-	-	-	27.00	27.00	-	-

Particulars	No. of shares/units						As at					
	31-Dec-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Dec-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Growth Option												
HDFC MF Monthly Income Plan-Short Term-Growth	-	-	1,873,092	1,873,092	-	-	-	-	30.00	30.00	-	-
Birla Sunlife Cash Manager-IP Daily Dividend	-	-	61,329	-	-	-	-	-	28.11	-	-	-
Birla Quarterly Series 4 Dividend payout	-	4,998,450	5,650,629	-	-	-	-	50.00	56.52	-	-	-
Birla Sunlife Ultra Short Term Fund-Inst DD	-	-	3,042,699	-	-	-	-	-	30.44	-	-	-
BNP Overnight Fund-Institutional Daily Dividend	-	-	10,073,455	-	-	-	-	-	100.76	-	-	-
HDFC FMP 370D Nov 2010	-	-	11,000,000	-	-	-	-	-	110.00	-	-	-
ICICI Prudential FMP Series 54- 18 Months Plan A Cumulative	-	5,000,000	5,000,000	-	-	-	-	50.00	50.00	-	-	-
IDFC Fixed Maturity Plan 100 Days - Dividend	-	-	7,000,000	-	-	-	-	-	70.00	-	-	-
Kotak Credit Opportunities-Growth	-	-	5,000,469	-	-	-	-	-	50.00	-	-	-
Principal Cash Management Fund-Dividend Reinvest	-	-	2,266,990	-	-	-	-	-	22.67	-	-	-
Reliance Fixed Horizon Fund- XVI Series 3	-	-	5,000,000	-	-	-	-	-	50.00	-	-	-
Reliance Fixed Horizon Fund XVIII Series 6-Grow	-	-	1,500,000	-	-	-	-	-	15.00	-	-	-
Reliance Fixed Horizon Fund-XVIII Series 6 DP	-	-	9,583,560	-	-	-	-	-	95.84	-	-	-
Reliance Fixed Horizon XIV Series 11 Growth Opt	-	-	7,000,000	-	-	-	-	-	70.00	-	-	-
Reliance Quarterly Interval Fund - Series	-	-	2,263,058	-	-	-	-	-	29.88	-	-	-
Templeton India Income Opportunity Fund	-	-	5,529,918	-	-	-	-	-	57.50	-	-	-
UTI Dynamic Bond-Dividend Reinvest	-	-	7,198,051	-	-	-	-	-	72.27	-	-	-
UTI Short Term Income Fund-IP-Dividend Reinvest	-	-	4,802,049	-	-	-	-	-	48.96	-	-	-
Birla Sunlife dynamic bond fund - Retail Plan- Growth	19,545,322	5,988,761	-	-	-	-	356.94	106.94	-	-	-	-
SBI Debt fund series -370 days- 14 Dividend	-	3,000,000	-	-	-	-	-	30.00	-	-	-	-
Templeton India Low Duration fund - Growth	-	10,409,723	-	-	-	-	-	114.35	-	-	-	-
Fidelity Annual FMP series VI- Plan C -Growth	-	5,000,000	-	-	-	-	-	50.00	-	-	-	-
Reliance fixed horizon fund XX1 Series 2 Growth plan	-	4,500,000	-	-	-	-	-	45.00	-	-	-	-
Reliance fixed horizon XXI series 16 growth plan	-	3,206,889	-	-	-	-	-	32.07	-	-	-	-
Sundaram fixed term plan CG 18 months Growth	3,999,838	3,999,838	-	-	-	-	40.00	40.00	-	-	-	-
Birla Sunlife Fixed Term Plan Series EW Growth	5,000,000	5,000,000	-	-	-	-	50.00	50.00	-	-	-	-
Birla Sunlife Fixed Term Plan Series EY Growth	6,065,272	6,065,272	-	-	-	-	60.65	60.65	-	-	-	-
Birla Sunlife Fixed Term Plan-Series EV-Growth	10,000,000	10,000,000	-	-	-	-	100.00	100.00	-	-	-	-
Birla Sunlife Fixed Term Plan-Series FF-Growth	10,000,000	-	-	-	-	-	100.00	-	-	-	-	-
Birla Sunlife Fixed Term Plan-Series FM-Growth	5,000,000	-	-	-	-	-	50.00	-	-	-	-	-
Birla Sunlife Short Term Fund-Growth	1,240,015	-	-	-	-	-	49.98	-	-	-	-	-
DWS Fixed Maturity Plan-Series 5-Growth	5,000,000	5,000,000	-	-	-	-	50.00	50.00	-	-	-	-
HDFC FMP 370D January 2012 (4)-Growth Series XIX	10,022,550	10,022,550	-	-	-	-	100.23	100.23	-	-	-	-
HDFC Short Term Plan-Growth	11,972,744	2,965,465	-	-	-	-	250.73	60.73	-	-	-	-
Kotak Bond (Short Term)-Monthly Dividend	-	6,484,490	-	-	-	-	0.00	65.91	-	-	-	-
Kotak FMP Series 80-Growth	10,000,000	10,000,000	-	-	-	-	100.00	100.00	-	-	-	-
Kotak NFO FMP Series 73-Growth	4,500,000	4,500,000	-	-	-	-	45.00	45.00	-	-	-	-
Kotak Quarterly Interval Plan-Series	-	8,994,693	-	-	-	-	-	90.00	-	-	-	-

Particulars	No. of shares/units						As at					
	31-Dec-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Dec-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
2-Dividend												
Reliance Fixed Horizon Fund XXI Series 11-Growth	7,709,730	7,709,730	-	-	-	-	77.10	77.10	-	-	-	-
Reliance Fixed Horizon Fund XXI-Series 6 Growth	5,000,000	5,000,000	-	-	-	-	50.00	50.00	-	-	-	-
Reliance Fixed Horizon Fund-XXI-Series 18-Growth	10,002,480	10,002,480	-	-	-	-	100.02	100.02	-	-	-	-
UTI Fixed Income Fund Series X-VII 368 Days-Growth	10,000,000	10,000,000	-	-	-	-	100.00	100.00	-	-	-	-
Canara Robeco Short Term Institutional Growth	3,901,769	-	-	-	-	-	50.00	-	-	-	-	-
DWS Short Maturity Fund Institutional Plan-Growth	11,405,977	-	-	-	-	-	150.00	-	-	-	-	-
HDFC High Interest Fund -Short Term Plan-Growth	9,268,700	-	-	-	-	-	200.00	-	-	-	-	-
ICICI Prudential FMP Series-63 yrs Plan M-Cumulative	20,000,000	-	-	-	-	-	200.00	-	-	-	-	-
ICICI Prudential Long Term -Regular Plan-Growth	16,704,391	-	-	-	-	-	200.00	-	-	-	-	-
ICICI Prudential institutional short term plan -cumulative option	6,569,180	-	-	-	-	-	150.00	-	-	-	-	-
IDFC Dynamic Bond Plan Growth (Regular Plan)	11,680,151	-	-	-	-	-	150.00	-	-	-	-	-
IDFC Super Saver Income Fund - Short Term Plan C-Growth (Defunct Plan)	7,916,841	-	-	-	-	-	100.00	-	-	-	-	-
JP Morgan India Income Fund Series 301 Growth	50,000,000	-	-	-	-	-	500.00	-	-	-	-	-
JP Morgan India Short Term Income Plan -Regular Plan Growth	8,347,733	-	-	-	-	-	100.00	-	-	-	-	-
Reliance floating rate- short term plan growth	8,653,314	-	-	-	-	-	150.00	-	-	-	-	-
Templeton Short Term Income Plan Institutional-Growth	84,894	-	-	-	-	-	150.00	-	-	-	-	-
Birla Sunlife Fund-Growth	461,240	-	-	-	-	-	100.04	-	-	-	-	-
Reliance- Income fund -Growth option- bonus option	7,243,185	-	-	-	-	-	125.00	-	-	-	-	-
HDFC Income Fund-Growth	4,254,957	-	-	-	-	-	110.00	-	-	-	-	-
DWS Premier Bond Fund-Regular Plan-Growth	5,313,948	-	-	-	-	-	100.00	-	-	-	-	-
ICICI Prudential Income -Regular Plan-Growth	1,823,650	-	-	-	-	-	65.00	-	-	-	-	-
ICICI Prudential Gilt Fund Treasury-Regular Plan -Growth	2,300,079	-	-	-	-	-	65.00	-	-	-	-	-
Birla Sunlife Government Securities Long Term Plan-Growth	3,160,157	-	-	-	-	-	105.00	-	-	-	-	-
Reliance fixed horizon fund XXII series 14 Growth Plan	5,000,000	-	-	-	-	-	50.00	-	-	-	-	-
<b>Total current investments in mutual funds</b>							<b>4,500.69</b>	<b>1,568.00</b>	<b>1,014.95</b>	<b>779.85</b>	<b>402.47</b>	<b>407.04</b>
<b>Total</b>							<b>4,500.69</b>	<b>1,568.00</b>	<b>1,182.22</b>	<b>785.10</b>	<b>402.47</b>	<b>407.04</b>

**Notes:**

- 1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA, IVB & IVC.
- 3) These investments are in the name of the Company.



**Annexure VIII - Restated Unconsolidated Statement of Trade Receivables (Unsecured, considered good)****Rs. in million**

Particulars	As at					
	31-Dec-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Outstanding for a period exceeding six months from the date they are due for payment	-	-	0.10	-	0.04	-
Other trade receivables (less than six months)	3.97	-	0.50	0.35	0.65	7.71
<b>Total</b>	<b>3.97</b>	<b>-</b>	<b>0.60</b>	<b>0.35</b>	<b>0.69</b>	<b>7.71</b>

**Notes:**

- 1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA, IVB & IVC.
- 3) There is no amounts due from Directors / Promoters / Promoter Group / Relatives of Promoters/Relatives of Directors / Subsidiary Companies
- 4) List of persons/ entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

**Annexure IX - Restated Unconsolidated Statement of Long-Term Loans and Advances and Other Non-Current Assets**

**Rs. in million**

Particulars	As at					
	31-Dec-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
<b>A. Long-term loans and advances</b>						
Unsecured, considered good						
Loans and advances to related parties	-	-	-	0.90	4.28	0.60
Capital advances	18.93	69.54	17.69	5.73	3.18	-
Security deposits	96.01	77.05	67.46	38.40	28.52	23.28
Security deposits to related parties	1.86	1.86	1.86	1.86	-	-
Other loans and advances:						
Advance taxes [net of provision for taxation Rs 694.40 million (2011-12 - Rs. 489.22 million, 2010-11 - Rs. 282.55 million, 2009-10 - Rs.162.63 million)]	77.61	46.94	44.78	30.93	-	-
Prepaid expense	8.96	8.11	13.44	0.80	0.05	0.07
<b>Total Long-term loans and advances (A)</b>	<b>203.37</b>	<b>203.50</b>	<b>145.23</b>	<b>78.62</b>	<b>36.03</b>	<b>23.95</b>
<b>B. Other non-current assets</b>						
Bank deposits with more than 12 months maturity	-	-	-	0.28	0.26	7.24
<b>Total other non-current assets (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.28</b>	<b>0.26</b>	<b>7.24</b>

**Amounts due from Directors / Promoters / Promoter Group Companies / Relatives of Promoters / Relatives of Directors / Subsidiary Companies**

**Rs in million**

Particulars	As at					
	31-Dec-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Security Deposit (Rent) - Mr. V. S. S. Mani	0.93	0.93	0.93	0.93	-	-
Security Deposit (Rent) - Mrs. Anita Mani	0.93	0.93	0.93	0.93	-	-
Loan to Just Dial Global Private Limited	-	-	-	-	-	-
Loan to Just Dial Inc- Delaware	-	-	-	0.90	-	-
Loan to Just Dial Inc- Florida	-	-	-	-	4.28	0.60

**Notes:**

- 1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA, IVB & IVC.

- 3) List of persons/ entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

**Annexure X - Restated Unconsolidated Statement of Short-Term Loans and Advances and Other Current Assets**

**Rs. in million**

Particulars	As at					
	31-Dec-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
<b>A. Short-term loans and advances</b>						
Unsecured, considered good						
Loans and advances to related parties	-	-	44.28	0.46	-	-
Advances recoverable in cash or kind or for value to be received	25.70	9.33	4.20	-	2.25	1.79
Security Deposit	13.07	5.51	4.30	10.31	5.09	1.13
<b>Other loans and advances</b>						
Service tax input credit	16.71	9.82	11.03	3.25	4.43	1.65
Prepaid gratuity	-	2.42	8.61	2.94	-	0.69
Prepaid expense	31.40	30.24	25.28	15.66	12.92	5.89
Advance to vendors	41.30	1.68	3.88	2.56	15.21	2.92
<b>Total Short-term loans and advances (A)</b>	<b>128.18</b>	<b>59.00</b>	<b>101.58</b>	<b>35.18</b>	<b>39.90</b>	<b>14.07</b>
<b>B. Other current assets</b>						
Interest accrued on fixed deposit	2.12	0.51	0.45	-	-	-
Amount due from related parties	1.15	1.21	3.72	-	-	-
Share issue expenses (to the extent not written off or adjusted) (Refer Note 22 of Annexure IVC)	-	38.76	-	-	-	-
Other Receivables (Refer Note 22 of Annexure IVC)	18.52	-	-	-	-	-
<b>Total Other current assets (B)</b>	<b>21.79</b>	<b>40.48</b>	<b>4.17</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Amounts due from Directors / Promoters / Promoter Group Companies / Relatives of Promoters / Relatives of Directors / Subsidiary Companies**

**Rs in million**

Particulars	As at					
	31-Dec-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Loan to Just Dial Global Private Limited	-	-	10.21	0.46	-	-
Receivable towards service charges from Just Dial Global Private Limited	1.15	1.18	3.72	-	-	-
Royalty receivable from Just Dial Inc- Delaware	-	0.03	-	-	-	-
Loan to Just Dial Inc- Delaware	-	-	34.07	-	-	-

**Notes:**

- 1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA, IVB & IVC.
- 3) List of persons/ entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

**Annexure XI - Restated Unconsolidated Statement of Long-Term Borrowings**

**Rs in million**

Particulars	As at					
	31-Dec-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
<b>Long term-borrowings</b>						
<b>Rupee term loans (secured)</b>						
From bank:						
Non-current portion	-	-	1.49	3.16	-	0.29
Current maturities	0.15	1.49	1.67	1.55	0.29	0.90
	<b>0.15</b>	<b>1.49</b>	<b>3.16</b>	<b>4.71</b>	<b>0.29</b>	<b>1.19</b>
Less: Current maturities disclosed under the head "Other Current Liabilities"	(0.15)	(1.49)	(1.67)	(1.55)	(0.29)	(0.90)
<b>Total Long term Secured loans</b>	<b>-</b>	<b>-</b>	<b>1.49</b>	<b>3.16</b>	<b>-</b>	<b>0.29</b>
Rate of Interest (on vehicle loans)	7.20%	7.20%	7.20%	7.20%	7.91%	7.91%

**Notes:**

- 1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA, IVB & IVC.
- 3) Term loan as at December 31, 2012, March 31, 2012, March 31, 2011 and March 31, 2010 represents loan for purchase of vehicles taken in F.Y. 2009-10, secured against the hypothecation of Cars and repayable in 36 equated monthly installment (EMI) of Rs 153,612 on 7<sup>th</sup> day of every month till completion of loan. Term loan as at March 31, 2009, and March 31, 2008 represents loan for purchase of vehicles taken during the period between F.Y. 2005-06 to F.Y. 2006-07, secured against the hypothecation of Cars and repayable in 35-36 equated monthly installment (EMI) ranging between Rs 35,913 to Rs 52,780 on 7<sup>th</sup> day to 11<sup>th</sup> day of every month till completion of loan.
- 4) There is no unsecured loans outstanding to Directors / Promoters / Promoter Group Companies / Group Companies / Relatives of Promoters / Relatives of Directors / Subsidiary Companies.
- 5) List of persons/ entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

**Annexure XII - Restated Unconsolidated Statement of Other Long-Term Liabilities and Long-Term Provisions**

Rs. in million

Particulars	As at					
	31-Dec-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
<b>Other long-term liabilities</b>						
Unearned Revenue	-	-	-	5.13	12.89	38.89
Provision for lease obligation	28.80	22.95	15.61	9.66	2.00	2.19
<b>Total other long-term liabilities</b>	<b>28.80</b>	<b>22.95</b>	<b>15.61</b>	<b>14.79</b>	<b>14.89</b>	<b>41.08</b>
<b>Long-term provisions</b>						
Provision for tax [net of advance tax Rs. Nil (2011-12 - Rs. Nil, 2010-11 - Rs. Nil, 2009-10 - Rs. Nil, 2008-09 -Rs. 34.67 million, 2007-08 - Rs. 41.70 million)]	-	-	-	-	13.36	14.95
Provision for gratuity	9.85	-	-	-	1.91	-
<b>Total long-term provisions</b>	<b>9.85</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15.27</b>	<b>14.95</b>

**Notes:**

- 1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA, IVB & IVC.

**Annexure XIII - Restated Unconsolidated Statement of Trade Payables, Other Current Liabilities and Short-Term Provisions**

**Rs. in million**

Particulars	As at					
	31-Dec-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
<b>Current liabilities</b>						
<b>A. Trade payables</b>						
Total outstanding dues of micro and small enterprises	-	-	-	-	-	-
Total outstanding dues of trade payables other than micro and small enterprises	64.36	43.95	49.28	29.76	19.08	27.88
<b>Total trade payables</b>	<b>64.36</b>	<b>43.95</b>	<b>49.28</b>	<b>29.76</b>	<b>19.08</b>	<b>27.88</b>
<b>B. Other current liabilities</b>						
Current maturities of long-term debt	0.15	1.49	1.67	1.55	0.29	0.90
(Refer Note 3 of Annexure XI)						
Unearned Revenue	1,225.26	1,099.42	678.45	408.06	370.52	305.40
Other payables						
Salary and reimbursements payable	172.56	127.14	88.86	63.94	41.08	35.07
Other statutory dues (employee related liabilities)	38.53	37.85	35.83	34.87	26.33	18.32
Other payables	84.38	40.53	48.51	12.75	6.55	7.82
Service tax payable	28.21	-	-	3.42	-	3.79
Value added tax payable	-	-	0.90	-	-	-
Tax deducted at source payable	9.51	16.92	17.68	8.55	4.48	5.95
Deposit from franchisees	0.20	0.27	0.57	0.27	0.49	1.08
Provision for lease obligation	4.04	1.88	0.72	0.46	1.13	1.31
<b>Total other current liabilities</b>	<b>1,562.84</b>	<b>1,325.50</b>	<b>873.19</b>	<b>533.87</b>	<b>450.87</b>	<b>379.64</b>
<b>C. Short-term provisions</b>						
Provision for employee benefits						
Compensated absences	17.12	12.92	20.59	13.16	14.92	8.41
Other provisions						
Proposed dividend (including dividend distribution tax)	-	-	-	-	-	2.60
<b>Total short-term provisions</b>	<b>17.12</b>	<b>12.92</b>	<b>20.59</b>	<b>13.16</b>	<b>14.92</b>	<b>11.01</b>
<b>Total current liabilities (A + B + C)</b>	<b>1,644.32</b>	<b>1,382.37</b>	<b>943.06</b>	<b>576.79</b>	<b>484.87</b>	<b>418.53</b>

**Notes:**

- 1) The figures disclosed above are based on the restated unconsolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA, IVB & IVC.



**Annexure XIV - Restated Unconsolidated Statement of Other Income**

**Rs. in million**

Particulars	Nine months period ended 31-Dec-12	For the year ended					Nature: Recurring/ non-recurring	Related /Not related to business activity
		31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08		
Interest on bank deposits	1.65	1.97	1.30	8.40	7.59	4.95	Recurring	Not related
Interest on loans	-	2.33	0.97	-	-	-	Non-recurring	Not related
Dividend income on current investment (mutual funds)	11.87	43.55	28.61	25.84	29.40	14.38	Non-recurring	Not related
Profit on sale of current investment (net)	44.43	42.29	2.78	3.07	19.73	-	Non-recurring	Not related
<b>Other non-operating income</b>								
Exchange difference (net)	-	2.03	-	-	-	-	Non-recurring	Not related
Service charges	10.37	31.06	3.37	-	-	-	Recurring	Not related
Royalty Income	-	0.03	-	-	-	-	Non-recurring	Not related
Miscellaneous Income	2.85	8.28	0.24	1.25	2.20	0.83	Non-recurring	Not related
<b>Total Other Income</b>	<b>71.17</b>	<b>131.54</b>	<b>37.27</b>	<b>38.56</b>	<b>58.92</b>	<b>20.16</b>		

**Notes:**

1. The classification of other income as recurring/not-recurring, related/not-related to business activity is based on the current operations and business activity of the Company as determined by the management.
2. The amounts disclosed above are based on the restated unconsolidated summary statements of profit and loss of the Company.
3. The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA, IVB & IVC.

**Annexure XV - Restated Unconsolidated Statement of Contingent Liabilities**

**Rs in million**

Particulars	As at					
	31-Dec-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Demand notices Income tax in respect of Assessment years 2003-04, 2006-07, 2007-08, 2008-09 and 2009-10 in respect of which the Company has preferred an appeal. Based on judicial pronouncements, the Company's claim is likely to be accepted by appellate authorities	12.39	12.83	13.88	7.97	7.13	2.39
<b>Preference Dividend</b> Cumulative preference dividend on 6% Cumulative optionally convertible preference shares (includes dividend distribution tax as of December 31, 2012 -Rs. Nil, 2011-12 - Rs. 37.10 million, 2010-11 - Rs. 31.23 million, 2009-10 - Rs. 24.96 million, 2008-09 - Rs. 17.29 million, and 2007-08 Rs. 9.70 million) (Refer Note 3 below)	-	257.03	215.00	171.84	119.03	66.80
	<b>12.39</b>	<b>269.86</b>	<b>228.88</b>	<b>179.81</b>	<b>126.16</b>	<b>69.19</b>

**Notes:**

- 1) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA, IVB & IVC.
- 2) There are certain civil cases against the Company, as the Company is confident of defending the same and the probability of any liability arising to the Company is remote, no contingent liability is disclosed as on December 31, 2012, March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009, and March 31, 2008.
- 3) During the nine month period ended December 31, 2012, all the Preference shares have been converted into Equity shares hence the above mentioned amount for preference dividend for the years ended March 31, 2012, 2011, 2010, 2009 and 2008 is no longer payable.

**Annexure XVI - Restated Unconsolidated Statement of Dividend**

(Amount in Rs. in million except share and per share data)

Particulars	Face value	Nine months period ended 31-Dec-12	For the year ended					
			31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	
<b>Share capital</b>								
Equity share capital	10	694.44	519.08	519.05	8.56	8.56	8.56	
<b>Preference share capital</b>								
6% non cumulative compulsory convertible preference shares Series C	10	-	9.68	-	-	-	-	-
6% cumulative redeemable preference shares (Optionally Convertible) of Series A	10	-	1.96	1.96	2.52	2.52	2.52	
0.1% Cumulative Redeemable Preference Shares of Series - B	10	-	0.00*	0.00*	0.00*	0.00*	0.00*	
		<b>694.44</b>	<b>530.72</b>	<b>521.01</b>	<b>11.08</b>	<b>11.08</b>	<b>11.08</b>	<b>11.08</b>
<b>Dividend on equity shares</b>								
Dividend in %		-	-	-	-	-	-	20.00%
Proposed Dividend		-	-	-	-	-	-	1.71
Interim Dividend		-	-	-	-	-	-	-
Dividend Tax (Including surcharge)		-	-	-	-	-	-	0.29
<b>Dividend paid on preference shares</b>								
Dividend in %		-	-	-	-	-	-	20.10%
Preference dividend		-	-	-	-	-	-	0.51
Dividend Tax (Including surcharge)		-	-	-	-	-	-	0.09
<b>Dividend payable on preference shares</b>								
Preference dividend		-	219.93	183.77	146.88	101.74	57.10	
Dividend Tax (Including surcharge)		-	37.10	31.23	24.96	17.29	9.70	

**Notes:**

- 1) The above statement should be read with significant accounting policies and the notes to the restated unconsolidated summary statements as appearing in Annexure IVA, IVB and IVC respectively.
- 2) During the nine months period ended December 31, 2012, all the Preference shares have been converted into Equity shares hence no preference dividend is payable as at December 31, 2012.

\* Amount less than 0.01 million

**Annexure XVII - Restated unconsolidated statement of Accounting Ratios**

**Rs. in million (except per share data in Rs.)**

Particulars		Nine months period ended 31-Dec-12	For the year ended				
			31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Basic earnings per share (Rs.)	A/B	7.19	8.93	4.75	2.93	0.47	(0.59)
Diluted earnings per share (Rs.)	F/C1 & A/C	6.89	7.78	4.60	2.93	0.47	(0.59)
Net Profit after tax (after preference dividend and related tax) as restated attributable to equity shareholders	A	470.78	463.80	245.09	140.44	22.60	(28.32)
Weighted average no. of equity shares outstanding during the period/year (Refer Note 2 and 5 below)	B	65,507,085	51,907,807	51,591,690	47,948,208	47,948,208	47,948,208
Weighted average no. of equity shares (including ESOP) which should be considered for calculating Diluted EPS (Refer Note 6 and 7 below)	C	-	-	-	47,960,764	47,954,195	-
Weighted average no. of equity shares which should be considered for diluted EPS (post conversion of preference shares and exercise of ESOP) (Refer Note 6 and 7 below)	C1	68,313,310	64,980,754	62,731,629	-	-	-
Net Worth at the end of the period/year (excluding preference share capital and cumulative preference dividend)	D	4,048.13	765.01	737.12	483.07	328.65	302.92
Total no. of equity shares outstanding at the end of the period/year	E	69,444,358	51,908,266	51,905,466	856,218	856,218	856,218
<b>Return on Net Worth (%) (Refer Note 1(c) below)</b>	A / D *100	<b>11.63%</b>	<b>60.63%</b>	<b>33.25%</b>	<b>29.07%</b>	<b>6.88%</b>	<b>-9.35%</b>
<b>Net asset value per equity share (Rs.) (Refer Note 1(d) below)</b>	D/E	<b>58.29</b>	<b>14.74</b>	<b>14.20</b>	<b>564.19</b>	<b>383.84</b>	<b>353.79</b>
<b>Calculation of return on net worth after giving effect to outstanding financial instruments</b>							
Net Profit after tax as restated	F	470.78	505.81	288.25	193.25	75.41	20.89
Net Worth at the end of the period/year (including preference share capital)	G	4,048.13	1,033.67	954.09	657.43	450.20	372.24
<b>Return on Net Worth (%) (Refer Note 1(e) below)</b>	F / G *100	<b>11.63%</b>	<b>48.93%</b>	<b>30.21%</b>	<b>29.39%</b>	<b>16.75%</b>	<b>5.61%</b>
<b>Calculation of net asset value after retrospective adjustment of bonus issue and outstanding financial instruments</b>							
Total no. of equity shares which should be considered for calculating	H	70,387,576	65,139,559	63,045,405	62,408,841	62,422,776	62,456,177

Particulars		Nine months period ended 31-Dec-12	For the year ended				
			31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Net Asset Value per share (Including bonus shares, Convertible preference shares and ESOP)							
<b>Net asset value per equity share (Rs.) (Refer Note 1(f) below)</b>	G/H	<b>57.51</b>	<b>15.87</b>	<b>15.13</b>	<b>10.53</b>	<b>7.21</b>	<b>5.96</b>

## Notes

1. The Ratios have been computed as below:

- a) Basic Earnings per share (Rs.)  $\frac{\text{Net profit after tax (as restated) attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the period/year}}$
- b) Diluted Earnings per share (Rs.)  $\frac{\text{Net profit after tax (as restated)}}{\text{Weighted average number of diluted equity shares outstanding during the period/year}}$
- c) Return on net worth (%)  $\frac{\text{Net Profit after tax (after preference dividend and related tax) as restated}}{\text{Net worth at the end of the period/year excluding preference share capital and cumulative preference dividend}}$
- d) Net asset value per share (Rs.)  $\frac{\text{Net worth at the end of the period/year excluding preference share capital}}{\text{Total number of equity shares outstanding at the end of the period/year}}$
- e) Return on net worth (%) (Considering outstanding Financial instruments)  $\frac{\text{Net Profit after tax as restated}}{\text{Net worth at the end of the period/year including preference share capital}}$
- f) Net asset value per share (Rs.) after retrospective adjustment of bonus issue and outstanding financial instruments  $\frac{\text{Net worth at the end of the period/year including preference share capital}}{\text{Total number of equity shares outstanding at the end of the period/year + Potential equity shares on exercise of stock options as per guidance note on ESOP + Potential equity shares from convertible preference shares}}$

- 2) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period/year adjusted by the number of equity shares issued during period/year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/year.
- 3) Net worth for ratios mentioned in note 1(c) and 1(d) is = Equity share capital + Reserves and surplus (including Capital Redemption Reserve, Securities Premium, General Reserve, Stock options outstanding and surplus in statement of Profit and Loss) - Share issue expenses (to the extent not written off or adjusted)
- 4) Net worth for ratios mentioned in note 1(e) and 1(f) is = Equity share capital + Reserves and surplus (including Capital Redemption Reserve, Securities Premium, General Reserve, Stock options outstanding and surplus in statement of Profit and Loss) + Preference share capital - Share issue expenses (to the extent not written off or adjusted)
- 5) During the year ended March 31, 2011, the Company issued bonus shares, in the ratio of 55 shares for every one share held, to the existing shareholders by way of capitalization of securities premium and other reserves which has been approved at the extraordinary general meeting held by the Company on April 24, 2010.

- 6) Earnings per share calculations are in accordance with Accounting Standard 20 - Earnings per share, notified under the Companies (Accounting Standards) Rules 2006, as amended. As per AS20, in case of bonus shares, the number of shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event has occurred at the beginning of the earliest period reported. The Company has issued bonus shares, in the ratio of 55 shares for every one share held, to the existing shareholders by way of capitalization of securities premium and other reserves which has been approved at the extraordinary general meeting held by the Company on April 24, 2010. Weighted average number of equity shares outstanding during all the previous years have been considered accordingly.
- 7) The Company had Nil (2011-12: 195,565, 2010-11: 195,565, 2009-10: 252,486, 2008-09: 252,486, and 2007-08: 252,486) 6% cumulative convertible preference shares, Nil (2011-12: 1, 2010-11: 1, 2009-10: 1, 2008-09: 1, and 2007-08: 1) 0.1% non-cumulative convertible preference shares and Nil (2011-12: 968,060, 2010-11: Nil, 2009-10: Nil, 2008-09: Nil, and 2007-08: Nil) outstanding as at December 31, 2012. However, this has not been considered for diluted EPS for the years 2009-10, 2008-09, and 2007-08 as they are anti-dilutive in nature. ESOP issued to employees has not been considered for the year 2007-08 since they are anti-dilutive in nature.
- 8) During the year ended March 31, 2012, the Company's IT testing business has been demerged and assets of IT testing business and investments made by the Company in Just Dial Global Private Limited was adjusted against balance in securities premium account and profit and loss account balance as per the scheme of arrangement described in note 19 of Annexure IVC. Accordingly, the reserves and surplus and correspondingly the net worth as at March 31, 2012 has been reduced.
- 9) The figures disclosed above are based on the unconsolidated restated summary statements of the Company.
- 10) The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA, IVB & IVC.
- 11) Pursuant to the issuance of bonus shares in the year ended March 31, 2011, the net asset value per share has been reduced.
- 12) The basic, diluted earnings per share and return on networth for nine months period ended December 31, 2012 has been calculated on restated profit for nine month period only and not annualised
- 13) During the nine month period ended December 31, 2012, all the Preference shares have been converted into Equity shares.

## Annexure XVIII - Capitalisation Statement

Particulars	Rs in million	
	Pre IPO as at December 31, 2012	As adjusted for IPO (Refer note 3 below)
<b>Debt</b>		
Short term debt (A)	0.15	0.15
Long term debt (B)	-	-
<b>Total debt (A+B)</b>	<b>0.15</b>	<b>0.15</b>
<b>Shareholders' funds</b>		
Share Capital	694.44	694.44
Reserves and Surplus, as restated		
Securities premium account	2,447.15	2,447.15
Stock option outstanding account	10.44	10.44
Surplus in the statement of profit and loss	896.10	896.10
<b>Total shareholders' funds (C)</b>	<b>4,048.13</b>	<b>4,048.13</b>
<b>Long term debt / equity (B/C)</b>	<b>0.00: 1</b>	<b>0.00: 1</b>

### Notes

- 1) The above has been computed on the basis of the restated unconsolidated summary statements of assets and liabilities of the Company.
- 2) During the year ended March 31, 2012, the Company's IT testing business, other related services and specific assets have been demerged in Just Dial Global Private Limited and the aggregate value of assets was adjusted against balance in securities premium account and surplus i.e. the balance in statement of profit and loss as per the scheme of arrangement described in note 19 of Annexure IVC.
- 3) The Company is proposing to have an initial public offering through offer for sale. Hence there will be no change in the shareholder's funds post issue

**Annexure XIX -Restated Unconsolidated Tax Shelter Statement**

**Rs. in million**

	Particulars	Nine months period ended 31-Dec-12	For the year ended				
			31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
A	Restated profit before tax	689.11	715.74	422.97	292.23	99.82	32.27
B	Tax rate	32.45%	32.45%	33.22%	33.99%	33.99%	33.99%
C	Tax thereon at the above rate (A x B)	223.58	232.23	140.50	99.33	33.93	10.97
D	<b>Permanent differences</b>						
	Expenses disallowed under Income Tax Act	(20.37)	(5.60)	(3.24)	(13.97)	(9.08)	(8.72)
	Dividend - exempt under Income Tax Act	11.87	43.56	28.61	25.84	29.40	14.38
	Dividend disallowance	(0.59)	(6.46)	(5.15)	(2.97)	(0.02)	-
	Interest on self assessment tax	-	-	-	(1.23)	-	-
	Profit on sale of investments	25.24	36.50	1.53	(2.33)	19.73	(0.01)
	<b>Total (D)</b>	<b>16.16</b>	<b>68.00</b>	<b>21.75</b>	<b>5.34</b>	<b>40.03</b>	<b>5.65</b>
E	<b>Timing differences</b>						
	Difference in book depreciation and Depreciation under Income Tax Act 1961 ("I.T. Act")	50.90	9.45	(0.88)	(3.20)	8.10	8.94
	Expenses allowable on payment basis	(8.88)	6.21	(7.02)	(9.49)	(4.11)	(7.01)
	Exchange difference	(0.01)	-	(0.85)	(0.05)	-	-
	Straight line of leases	(8.02)	(8.50)	(6.21)	(6.98)	0.38	(1.16)
	Profit on sale of assets	-	-	0.02	0.16	0.72	0.30
	Loss on discarding of assets	(0.11)	-	(12.29)	-	-	-
	Business losses set off as carried forward losses	-	-	60.23	(60.23)	-	-
	Revenue deferral	-	3.62	9.27	366.68	(48.75)	(97.61)
	<b>Total</b>	<b>33.88</b>	<b>10.78</b>	<b>42.27</b>	<b>286.89</b>	<b>(43.66)</b>	<b>(96.54)</b>
F	<b>Net Adjustments (D + E)</b>	<b>50.03</b>	<b>78.78</b>	<b>64.02</b>	<b>292.23</b>	<b>(3.63)</b>	<b>(90.89)</b>
G	<b>Tax expense / (saving) thereon</b>	<b>16.23</b>	<b>25.56</b>	<b>21.26</b>	<b>99.33</b>	<b>(1.24)</b>	<b>(30.90)</b>
H	<b>Total tax on profits (C - G)</b>	<b>207.35</b>	<b>206.67</b>	<b>119.24</b>	<b>-</b>	<b>35.17</b>	<b>41.87</b>
	<b>Total current tax on profits</b>						
	Current tax on continuing operations	207.35	205.96	119.24	-	35.17	41.87
	Current tax on discontinuing	-	0.71	-	-	-	-



	Particulars	Nine months period ended 31-Dec-12	For the year ended				
			31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
	operations						
	<b>Total</b>	<b>207.35</b>	<b>206.67</b>	<b>119.24</b>	<b>-</b>	<b>35.17</b>	<b>41.87</b>

**Notes:**

1. The aforesaid Statement of Tax Shelters has been prepared as per the restated unconsolidated summary statement of profits and losses of the Company.
2. The above statement should be read with the notes to restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA, IVB & IVC.

**Annexure XX - Restated Unconsolidated Statement of Related Party Transactions**  
**List of related parties and transactions as per requirements of Accounting Standard - 18, 'Related Party Disclosures'**

Rs. in million

Particulars	Nine months period ended 31-Dec-12	For the year ended				
		31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
<b><u>Related parties where control exists</u></b>						
Subsidiaries		Just Dial Inc.(Delaware) - (Till July 21, 2011)	Just Dial Inc.(Delaware)	Just Dial Inc. (Florida)	Just Dial Inc. (Florida)	Just Dial Inc. (Florida)
				Just Dial Inc.(Delaware)		
				Just Dial Global Private Ltd		
<b><u>Related parties where transactions have been entered into during the year/ period</u></b>						
Enterprises owned or significantly influenced by Key Management Personnel or their relatives	Just Dial Global Private Ltd	Just Dial Global Private Ltd Just Dial Inc (Delaware) (From July 22, 2011)	Just Dial Global Private Ltd	None	None	None
Key Management Personnel	Mr. V.S.S. Mani	Mr. V.S.S. Mani	Mr. V.S.S. Mani	Mr. V.S.S. Mani	Mr. V.S.S. Mani	Mr. V.S.S. Mani
	Mr. V. Krishnan	Mr. V. Krishnan	Mr. V. Krishnan	Mr. V. Krishnan	Mr. V. Krishnan	Mr. V. Krishnan
		Mr. Ramani Iyer (Up to May 31, 2011)	Mr. Ramani Iyer	Mr. Ramani Iyer	Mr. Ramani Iyer	Mr. Ramani Iyer
Relatives of Key Management personnel	Mrs.Anita Mani	Mrs.Anita Mani	Mrs.Anita Mani	Mrs.Anita Mani	Mrs.Anita Mani	Mrs.Anita Mani

**Annexure XX - Restated Unconsolidated Statement of Related Party Transactions (contd.)**

**Details of Transactions with Related Parties**

(Rs. in million)

S. No	Particulars	31-Dec-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
	<b>Transactions during the year</b>						
1	Subsidiaries						
	Investment during the year						
	i) Just Dial Inc. - Delaware	-	-	-	8.82	-	-
		-	-	-	<b>8.82</b>	-	-
	Loan given during the year						
	i) Just Dial Inc. - Delaware	-	66.74	33.22	-	3.68	0.60
		-	<b>66.74</b>	<b>33.22</b>	-	<b>3.68</b>	<b>0.60</b>
	Loan received back during the year						
	i) Just Dial Inc. - Delaware	-	-	-	3.38	-	-
		-	-	-	<b>3.38</b>	-	-
	Interest received on loans						
	i) Just Dial Inc. - Delaware	-	2.13	0.75	-	-	-
		-	<b>2.13</b>	<b>0.75</b>	-	-	-
	Dilution of equity shares due to scheme of arrangement						
	i) Just Dial Global Private Limited	-	-	-	5.25	-	-
		-	-	-	<b>5.25</b>	-	-
2	Enterprises owned or significantly influenced by Key Management Personnel or their relatives						
	Investment in preference shares during the year						
	i) Just Dial Global Private Limited	-	580.00	144.76	-	-	-
		-	<b>580.00</b>	<b>144.76</b>	-	-	-
	Transfer of IT testing business and investments to Just Dial Global Private Limited	-	725.01	-	-	-	-
		-	<b>725.01</b>	-	-	-	-
	Loan given during the year						
	i) Just Dial Global Private Limited	-	45.00	29.08	0.46	-	-
		-	<b>45.00</b>	<b>29.08</b>	<b>0.46</b>	-	-
	Loan received back during the year						
	i) Just Dial Global Private Limited	-	55.40	19.54	-	-	-
	ii) Just Dial Inc. - Delaware	-	100.81	-	-	-	-
		-	<b>156.21</b>	<b>19.54</b>	-	-	-
	Sale of assets during the year						
	i) Just Dial Global Private Limited	-	-	16.65	-	-	-
		-	-	<b>16.65</b>	-	-	-
	Service charges (other income) during the year						
	i) Just Dial Global Private	10.37	31.06	3.37	-	-	-

S. No	Particulars	31-Dec-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
	Limited						
		<b>10.37</b>	<b>31.06</b>	<b>3.37</b>	-	-	-
	Interest income during the year						
	i) Just Dial Global Private Limited	-	0.19	0.21	-	-	-
		-	<b>0.19</b>	<b>0.21</b>	-	-	-
	Royalty income during the year						
	i) Just Dial Inc. - Delaware	-	0.03	-	-	-	-
		-	<b>0.03</b>	-	-	-	-
	Sale of Investment in Just Dial Inc. - Delaware						
	i) Just Dial Global Private Limited	-	22.03	-	-	-	-
		-	<b>22.03</b>	-	-	-	-
3	Key Management Personnel						
	Remuneration						
	Mr. V.S.S. Mani	8.52**	9.59	2.40	2.40	2.40	2.31
	Mr. Ramani Iyer	-	1.71	9.23	6.38	3.73	3.76
	Mr. V. Krishnan	7.84	9.72	9.23	6.38	3.73	3.76
		<b>16.36</b>	<b>21.02</b>	<b>20.86</b>	<b>15.16</b>	<b>9.86</b>	<b>9.83</b>
	Lease rental paid						
	Mr. V.S.S. Mani	2.06	2.43	2.29	2.17	1.25	1.22
		<b>2.06</b>	<b>2.43</b>	<b>2.29</b>	<b>2.17</b>	<b>1.25</b>	<b>1.22</b>
	Security deposit given						
	Mr. V.S.S. Mani	-	-	-	0.93	-	-
		-	-	-	<b>0.93</b>	-	-
	Preference shares issued						
	Mr. V.S.S. Mani	-	-	-	-	-	0.00*
		-	-	-	-	-	-
4	Relatives of Key Management Personnel						
	Lease Rental paid						
	Mrs. Anita Mani	2.06	2.43	2.29	2.17	1.25	1.22
		<b>2.06</b>	<b>2.43</b>	<b>2.29</b>	<b>2.17</b>	<b>1.25</b>	<b>1.22</b>
	Security deposit given						
	Mrs. Anita Mani	-	-	-	0.93	-	-
		-	-	-	<b>0.93</b>	-	-
	<b>Balance Outstanding at the year end</b>						
1	Subsidiaries						
	i) Loan to Just Dial Inc - Delaware	-	-	34.07	0.90	-	-
	ii) Loan to Just Dial Inc - Florida	-	-	-	-	4.28	0.60
	iii) Investment in Just Dial Inc - Delaware	-	-	22.51	22.51	-	-
	iv) Investment in Just Dial Inc - Florida	-	-	-	-	13.69	13.69
	v) Loan to Just Dial Global Private Limited	-	-	-	0.46	-	-
	vi) Investment in equity shares of Just Dial Global Private Limited	-	-	-	5.25	-	-
		-	-	<b>56.58</b>	<b>29.12</b>	<b>17.97</b>	<b>14.29</b>

S. No	Particulars	31-Dec-12	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
2	Enterprises owned or significantly influenced by Key Management Personnel or their relatives						
	i) Loan to Just Dial Global Private Limited	-	-	10.21	-	-	-
	ii) Investment in preference shares of Just Dial Global Private Limited	-	-	144.76		-	-
	iii) Royalties receivable from Just Dial Inc. - Delaware	-	0.03	-	-	-	-
	iv) Receivable from Just Dial Global Private Limited towards service charges	1.15	1.18	3.72	-	-	-
		<b>1.15</b>	<b>1.21</b>	<b>158.69</b>	-	-	-
3	Key Management Personnel						
	Remuneration payable						
	Mr. V.S.S. Mani	0.29	1.03	0.13	0.14	-	-
	Mr. Ramani Iyer	-	-	1.59	1.32	-	-
	Mr. V. Krishnan	2.21	1.24	1.57	1.30	-	-
		<b>2.50</b>	<b>2.27</b>	<b>3.29</b>	<b>2.76</b>	-	-
	Security deposit						
	Mr. V.S.S. Mani	0.93	0.93	0.93	0.93	-	-
		<b>0.93</b>	<b>0.93</b>	<b>0.93</b>	<b>0.93</b>	-	-
4	Relatives of Key Management Personnel						
	Security deposit						
	Mrs. Anita Mani	0.93	0.93	0.93	0.93	-	-
		<b>0.93</b>	<b>0.93</b>	<b>0.93</b>	<b>0.93</b>	-	-
	* Amount less than Rs.0.01 million.						
	** Includes rent free accommodation.						

Restated Consolidated Summary Statement of Assets and Liabilities as at March 31, 2012, 2011, 2010, 2009 and 2008 and Profits and Losses and Cash Flows for each of the years ended March 31, 2012, 2011, 2010, 2009 and 2008 for Just Dial Limited and its Subsidiaries (collectively, the “Restated Consolidated Summary Statements”)

**Auditors' report as required by Part II of Schedule II to the Companies Act, 1956**

The Board of Directors  
Just Dial Limited  
Palm Court, Building-M,  
501/B, 5<sup>th</sup> Floor,  
Link Road, Malad (West),  
Mumbai – 400 064.

Dear Sirs,

1. We have examined the restated consolidated financial information of Just Dial Limited (the “Company”) and its subsidiaries consisting of Just Dial Inc (“JD Inc”) (Till July 21, 2011) and Just Dial Global Private Limited (“JD Global”) (for the year ended March 31, 2010), (together referred to as (the “Group”), as at March 31, 2012, 2011, 2010, 2009 and 2008 and for each of the years ended March 31, 2012, 2011, 2010, 2009 and 2008 annexed to this report for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed Initial Public Offer (“IPO”). Such financial information, which has been approved by the Board of Directors of the Company, has been prepared in accordance with the requirements of:
  - a) paragraph B(1) of Part II of Schedule II to the Companies Act, 1956 (the “Act”); and
  - b) relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the “Regulations”) issued by the Securities and Exchange Board of India (“SEBI”) on August 26, 2009, as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992.
2. We have examined such restated financial information taking into consideration:
  - a. the terms of our engagement agreed with you vide our engagement letter dated April 23, 2012, requesting us to carry out work on such financial information, proposed to be included in the offer document of the Company in connection with its proposed IPO; and
  - b. the Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India.
3. The Company proposes to make an IPO as offer for sale by investors of equity shares of Rs.10 each at such premium, arrived at by the 100% book building process (referred to as the “Issue”), as may be decided by the Board of Directors of the Company.
4. The restated consolidated financial information has been compiled by the management from:
  - a) the audited consolidated financial statements of the Group as at and for the year ended March 31, 2012 which have been audited by us. We did not audit (i) the financial statements of JD Inc for the period from April 1, 2011 to July 21, 2011 (date of disposal of investment in subsidiary), whose financial statements reflect total revenues of Rs. 53.97 million and cash inflows amounting to Rs. 9.76 million, which were prepared in accordance with accounting principles generally accepted in India at the relevant time and originally approved by the board in its board meeting held on November 25, 2011 and (ii) the financial statements of JD Inc for the period from April 1, 2011 to July 21, 2011, prepared in accordance with accounting principles generally accepted in India at the relevant time and prepared for the purpose of presentation of the restated consolidated summary statements of the Group under the requirements of the revised schedule VI of the Act, approved by the board in its board meeting held on March 12, 2012. These

financial statements of JD Inc have been audited by another firm of Chartered Accountants, KNAV P.A., whose auditors' reports on these financial statements have been relied upon by us;

- b) the audited consolidated financial statements of the Group as at and for each of the years ended March 31, 2011 and March 31, 2010 which have been audited by us, and financial and other records of the Group, to the extent considered necessary by us, for the presentation of the restated consolidated summary statements under the requirements of Revised Schedule VI of the Act;

We did not audit (i) the financial statements JD Inc as at and for the years ended March 31, 2011 and March 31, 2010, whose financial statements reflect total assets of Rs 36.34 million, total revenues of Rs. 23.28 million and cash inflows amounting to Rs. 5.38 million as at and for the year ended March 31, 2011 and total assets of Rs 4.67 million, total revenues of Rs. Nil and cash outflows amounting to Rs. 0.42 million as at and for the year ended March 31, 2010, prepared in accordance with accounting principles generally accepted in India at the relevant time and originally approved by the board in its board meetings held on July 1, 2011 and May 13, 2011, respectively, and (ii) the financial statements of JD Inc as at and for each of the years ended March 31, 2011 and 2010, prepared in accordance with accounting principles generally accepted in India at the relevant time and prepared for the purpose of presentation of the restated consolidated summary statements of the Group under the requirements of revised schedule VI of the Act, approved by the board in its board meeting held on March 12, 2012. These financial statements of JD Inc have been audited by another firm of Chartered Accountants, KNAV P.A., whose auditors reports on these financial statements have been relied upon by us.

We did not audit (x) the financial statements of the JD Global as at and for the year ended March 31, 2010, whose financial statements reflect total assets of Rs 6.91 million, total revenues of Rs. Nil and cash inflows amounting to Rs. 6.75 million, prepared in accordance with accounting principles generally accepted in India at the relevant time and originally approved by the board in its board meetings held on September 7, 2010 and (y) the financial statements of JD Global as at and for the year ended March 31, 2010, prepared in accordance with accounting principles generally accepted in India at the relevant time and prepared for the purpose of presentation of the restated consolidated summary statements of the Group under the requirements of revised schedule VI of the Act, approved by the board in its board meeting held on March 12, 2012. These financial statements of JD Global have been audited by another firm of Chartered Accountants, Dinesh Nair & Associates, whose auditors' report on these financial statements have been relied upon by us.

Our opinion, in so far as it relates to the amounts related to JD Inc as at and for each of the years ended March 31, 2011 and 2010 and JD Global as at and for the year ended March 31, 2010, included in these Restated Consolidated Summary Statements, are based solely on the reports of the other auditors as mentioned above; and

- c) the audited consolidated financial statements of the Group as at and for each of the years ended March 31, 2009 and 2008, prepared in accordance with accounting principles generally accepted in India at the relevant time and originally approved by the Company in its board meeting held on July 8, 2011, all of which have been audited by the Company's previous auditor, Dinesh Nair & Associates, and whose auditors' reports on the financial statements as aforementioned have been relied upon by us; and
- d) the audited consolidated financial statements of the Group as at and for each of the years ended March 31, 2009 and 2008 prepared in accordance with accounting principles generally accepted in India at the relevant time, prepared for the purpose of presentation of the restated consolidated summary statements under the requirements of revised schedule VI of the Act, approved by the board in its board meeting held on April 2, 2012, all of which have been audited by the Company's previous auditor, Dinesh Nair & Associates, and whose auditors' report on these financial statements have been relied upon by us.

5. In accordance with the requirements of Paragraph B of Part II of Schedule II of the Act, the Regulations and terms of our engagement agreed with you, we report that:

Read with paragraph 4 above, we have examined the restated consolidated summary statements of assets and liabilities of the Company as at March 31, 2012, 2011, 2010, 2009, and 2008 and the related restated consolidated summary statements of profits and losses and cash flows for each of the years ended March 31, 2012, 2011, 2010, 2009 and 2008 (collectively, the “Restated Consolidated Summary Statements”) and as set out in Annexures I to III.

6. Based on our examination and the reliance placed on the reports of the predecessor auditors, as referred to in paragraph 4(c) and paragraph 4(d) above and on the reports of the auditors of the subsidiaries not audited by us as referred to in paragraph 4(a) and paragraph 4(b) above to the extent applicable, we further report that

- a) The restated consolidated profits have been arrived at after making such adjustments and regroupings as, in our opinion, are appropriate and more fully described in the notes appearing in Annexure IV(B) to this report;
- b) The impact arising on account of changes in accounting policies adopted by the Group as at and for the year ended March 31, 2012 is applied with retrospective effect in the Restated Consolidated Summary Statements;
- c) Adjustments for the material amounts in the respective financial years/period to which they relate have been adjusted in the attached Restated Consolidated Summary Statements;
- d) There are no extraordinary items which need to be disclosed separately in the Restated Consolidated Summary Statements;
- e) There are no qualifications in the auditors’ reports, which require any adjustments to the Restated Consolidated Summary Statements;
- f) In our opinion, the financial information as disclosed in the Annexures to this report, read with the respective significant accounting policies and notes disclosed in Annexure IV(C), and after making adjustments and re-groupings as considered appropriate and disclosed in Annexures IV(A) and IV(B), have been prepared in accordance with Part II of Schedule II of the Act and the Regulations.

7. We have not audited any financial statements of the Group as of any date or for any period subsequent to March 31, 2012. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the Group as of any date or for any period subsequent to March 31, 2012.

**Other Financial Information:**

8. At the Company’s request, we have also examined the following consolidated financial information proposed to be included in the offer document prepared by the management and approved by the Board of Directors of the Company and annexed to this report relating to the Group as at and for each of the years ended March 31, 2012, 2011, 2010, 2009 and 2008:
- i. Restated Consolidated Statement of Reserves & Surplus, enclosed as Annexure V;
  - ii. Restated Consolidated Statement of Current Investments, enclosed as Annexure VI;
  - iii. Restated Consolidated Statement of Trade Receivables, enclosed as Annexure VII;
  - iv. Restated Consolidated Statement of Long-term Loans and Advances and Other Non-current assets, enclosed as Annexure VIII;



- v. Restated Consolidated Statement of Short-term Loans and Advances and Other current Assets, enclosed as Annexure IX;
  - vi. Restated Consolidated Statement of Long term borrowings, enclosed as Annexure X;
  - vii. Restated Consolidated Statement of Other long-term liabilities and long-term provisions, enclosed as Annexure XI
  - viii. Restated Consolidated Statement of Trade Payables, Other current liabilities and Short term Provisions, enclosed as Annexure XII
  - ix. Restated Consolidated Statement of Other Income, enclosed as Annexure XIII
  - x. Restated Consolidated Statement of Contingent Liabilities, enclosed as Annexure XIV
  - xi. Restated Consolidated Statement of Dividend, enclosed as Annexure XV
  - xii. Restated Consolidated Statement of Accounting Ratios, enclosed as Annexure XVI
  - xiii. Capitalisation statement, as appearing in Annexure XVII
  - xiv. Restated Consolidated Statement of Related Party Transactions, enclosed as Annexure XVIII
9. This report should not be in any way construed as a reissuance or redating of any of the previous audit reports issued by us or by other firm of Chartered Accountants, nor should this report be construed as an opinion on any of the financial statements referred to herein.
10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
11. This report is intended solely for your information and for inclusion in the offer document in connection with the proposed IPO of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For S.R. BATLIBOI & ASSOCIATES  
Firm Registration No.:101049W  
Chartered Accountants

per Govind Ahuja  
Partner  
Membership No: 48966  
Mumbai  
August 8, 2012

**Annexure I - Restated Consolidated Summary Statement of Assets and Liabilities**

**Rs. in million**

	Particulars	As at				
		31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
<b>A</b>	<b>Non-current assets</b>					
	<b>Fixed assets</b>					
	Tangible assets	326.98	253.94	181.94	136.85	115.43
	Intangible assets	21.40	19.27	10.01	11.87	15.34
	Capital work-in-progress	3.18	-	-	-	-
	Intangible assets under development	8.72	-	-	-	-
		<b>360.28</b>	<b>273.21</b>	<b>191.95</b>	<b>148.72</b>	<b>130.77</b>
	Deferred tax assets (net)	9.14	12.43	28.06	126.90	113.24
	Long-term loans and advances	203.50	145.87	78.21	31.75	23.35
	Other non-current assets	-	-	0.28	0.26	7.24
		<b>572.92</b>	<b>431.51</b>	<b>298.50</b>	<b>307.63</b>	<b>274.60</b>
<b>B</b>	<b>Current Assets</b>					
	Current investments	1,568.00	1,159.71	779.85	402.47	407.04
	Trade receivables	-	10.99	0.35	0.69	7.71
	Cash and bank balances	237.35	201.18	121.19	204.32	137.66
	Short-term loans and advances	59.00	86.45	34.76	39.92	14.08
	Other current assets	40.48	4.17	-	-	-
		<b>1,904.83</b>	<b>1,462.50</b>	<b>936.15</b>	<b>647.40</b>	<b>566.49</b>
<b>C</b>	<b>Total assets (C= A + B)</b>	<b>2,477.75</b>	<b>1,894.01</b>	<b>1,234.65</b>	<b>955.03</b>	<b>841.09</b>
<b>D</b>	<b>Non-current liabilities</b>					
	Long-term borrowings	-	1.49	3.16	-	0.29
	Other long-term liabilities	22.95	15.61	14.79	14.89	41.08
	Long-term provisions	-	-	-	15.27	14.95
		<b>22.95</b>	<b>17.10</b>	<b>17.95</b>	<b>30.16</b>	<b>56.32</b>
<b>E</b>	<b>Current liabilities</b>					
	Trade payables	43.95	50.21	30.51	20.12	28.60
	Other current liabilities	1,325.50	874.54	534.82	450.86	379.64
	Short-term provisions	12.92	20.59	13.16	14.92	11.01
		<b>1,382.37</b>	<b>945.34</b>	<b>578.49</b>	<b>485.90</b>	<b>419.25</b>
<b>F</b>	<b>Total liabilities (F= D + E)</b>	<b>1,405.32</b>	<b>962.44</b>	<b>596.44</b>	<b>516.06</b>	<b>475.57</b>
<b>G</b>	Share issue expenses (to the extent not written off or adjusted)	38.76	-	-	-	-
	<b>Net Worth (C - F - G)</b>	<b>1,033.67</b>	<b>931.57</b>	<b>638.21</b>	<b>438.97</b>	<b>365.52</b>
	<b>Networth represented by</b>					
<b>H</b>	<b>Shareholders' funds</b>					
	<b>Share capital</b>					
	Equity share capital	519.08	519.05	8.56	8.56	8.56
	Preference share capital	11.64	1.96	2.52	2.52	2.52
	<b>Total Share capital</b>	<b>530.72</b>	<b>521.01</b>	<b>11.08</b>	<b>11.08</b>	<b>11.08</b>
<b>I</b>	<b>Reserves and surplus</b>					
	Capital redemption reserve	-	-	0.87	0.87	0.87
	Securities premium account	-	4.40	381.69	381.69	381.69
	Stock option outstanding account	8.83	3.24	22.67	8.69	6.14

	Particulars	As at				
		31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
	General reserve	-	-	37.42	37.42	25.30
	Foreign currency translation reserve	-	(0.18)	(0.39)	0.11	(1.39)
	Net surplus/(deficit) in the statement of profit and loss	532.88	403.10	183.45	(0.89)	(58.17)
	<b>Total Reserves and surplus</b>	<b>541.71</b>	<b>410.56</b>	<b>625.71</b>	<b>427.89</b>	<b>354.44</b>
<b>J</b>	Non controlling interest	-	-	1.42	-	-
<b>K</b>	Share issue expenses (to the extent not written off or adjusted)	38.76	-	-	-	-
	<b>Net Worth (H + I + J - K)</b>	<b>1,033.67</b>	<b>931.57</b>	<b>638.21</b>	<b>438.97</b>	<b>365.52</b>

**Notes:**

1) The above statement should be read with the notes to restated consolidated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IVA, IVB & IVC.

As per our report of even date

**For and on behalf of the board of directors of Just Dial Limited**

**For S. R. Batliboi & Associates**  
**Firm registration number: 101049W**  
**Chartered Accountants**

**per Govind Ahuja**  
**Partner**  
Membership No. 48966

**V.S.S. Mani**  
Managing Director

**V. Krishnan**  
Director

Place : Mumbai  
Date: August 8, 2012

**Ramkumar Krishnamachari**  
Chief Financial Officer

**Sachin Jain**  
Company Secretary

**Annexure II - Restated Consolidated Summary Statement of Profits and Losses**

Rs. in million

Particulars	For the year ended				
	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
<b>Income from continuing operations</b>					
Revenue from operations					
Sale of search related services	2,593.98	1,796.03	1,160.62	735.39	510.18
Yellow pages publication services	-	-	148.45	123.83	185.69
Other operating revenue (revenue from reseller)	26.63	43.30	-	-	-
Other income	149.63	37.26	38.56	58.92	20.16
<b>Total revenue</b>	<b>2,770.24</b>	<b>1,876.59</b>	<b>1,347.63</b>	<b>918.14</b>	<b>716.03</b>
<b>Expenses</b>					
Employee benefits expense	1,308.37	947.17	668.82	522.77	420.54
Depreciation and amortisation	90.23	67.88	52.53	40.81	26.66
Finance cost	0.17	0.29	0.04	0.05	0.14
Other expenses	639.47	438.29	343.17	260.70	240.21
<b>Total expenses</b>	<b>2,038.24</b>	<b>1,453.63</b>	<b>1,064.56</b>	<b>824.33</b>	<b>687.55</b>
<b>Restated profit before tax from continuing operations</b>	<b>732.00</b>	<b>422.96</b>	<b>283.07</b>	<b>93.81</b>	<b>28.48</b>
<b>Tax expense/(income)</b>					
Current tax	205.96	119.24	-	35.17	41.87
Deferred tax charge /(credit)	3.26	15.49	98.82	(13.65)	(33.27)
Fringe benefit tax	-	-	-	2.89	2.78
<b>Total tax expense</b>	<b>209.22</b>	<b>134.73</b>	<b>98.82</b>	<b>24.41</b>	<b>11.38</b>
<b>Restated profit after tax before minority interests</b>	<b>522.78</b>	<b>288.23</b>	<b>184.25</b>	<b>69.40</b>	<b>17.10</b>
Share in loss of minority interest	-	-	0.09	-	-
<b>Restated profit after tax from continuing operations (A)</b>	<b>522.78</b>	<b>288.23</b>	<b>184.34</b>	<b>69.40</b>	<b>17.10</b>
<b>Discontinuing operation</b>					
Profit/(loss) before tax from discontinuing operations	4.16	(2.01)	-	-	-
Tax expense/(income) of discontinuing operations	(1.21)	0.07	-	-	-
<b>Restated profit/(loss) after tax from discontinuing operations (B)</b>	<b>5.37</b>	<b>(2.08)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Restated profit for the year (A + B)</b>	<b>528.15</b>	<b>286.15</b>	<b>184.34</b>	<b>69.40</b>	<b>17.10</b>

**Notes:**

The above statement should be read with the notes to restated consolidated summary statements of Assets and Liabilities, Profit and Losses and cash flows as appearing in Annexure IVA, IVB & IVC.

As per our report of even date

**For and on behalf of the board of directors of Just Dial Limited**

**For S. R. Batliboi & Associates**  
**Firm registration number: 101049W**  
**Chartered Accountants**

per Govind Ahuja

V.S.S. Mani

V. Krishnan

**Partner**  
Membership No. 48966

Place : Mumbai  
Date: August 8, 2012

Managing Director

**Ramkumar Krishnamachari**  
Chief Financial Officer

Director

**Sachin Jain**  
Company Secretary

**Annexure III - Restated Consolidated Summary Statement of Cash Flows**

**Rs. in million**

Particulars	For the year ended				
	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>					
Net profit before taxation from continuing operations (as restated)	732.00	422.96	283.07	93.81	28.48
Net profit before taxation from discontinued operations (as restated)	4.16	(2.01)	-	-	-
<b>Non cash adjustments to reconcile profit before tax to net cash flows</b>					
Depreciation and amortisation expense	90.96	70.25	52.53	40.81	26.66
Employee stock compensation expense	5.60	3.24	13.97	2.55	6.14
Loss/(profit) on sale/scrap of fixed assets (net)	(0.05)	12.30	(0.16)	(0.72)	(0.30)
Advertisement expenses	-	4.40	-	-	-
Loss/(profit) on sale of current investments	(42.29)	(2.78)	(3.07)	(19.73)	0.56
Profit on sale of subsidiary	(17.51)	-	-	-	-
Unrealized foreign exchange gain (net)	(0.87)	-	-	-	-
Interest income	(2.21)	(1.52)	(8.40)	(7.59)	(4.95)
Dividend income	(43.55)	(28.61)	(25.84)	(29.40)	(14.38)
Interest Expense	0.17	0.29	0.04	0.05	0.14
<b>Operating profit before working capital changes (as restated)</b>	<b>726.41</b>	<b>478.52</b>	<b>312.14</b>	<b>79.78</b>	<b>42.35</b>
<b>Movements in Working Capital</b>					
(Increase)/decrease in trade receivables	(53.37)	(10.64)	0.77	7.03	(6.12)
(Increase)/decrease in short-term loans and advances	(16.36)	(51.53)	5.16	(23.14)	6.82
(Increase)/decrease in long-term loans and advances	(4.26)	(41.87)	(12.98)	(7.91)	24.20
(Increase)/decrease in other current assets	2.52	(4.16)	-	-	-
Increase/(decrease) in trade payables	(5.34)	19.70	10.39	(8.48)	11.54
Increase in other current liabilities	461.59	339.60	82.67	71.58	125.77
Increase/(decrease) in other non-current liabilities	7.35	0.81	(0.09)	(26.20)	(6.97)
Increase/(decrease) in long-term provisions	-	-	(1.91)	1.97	(26.69)
Increase/(decrease) in short-term provisions	(7.67)	7.43	(1.75)	6.51	5.18
<b>Cash flow from operations</b>	<b>1,110.87</b>	<b>737.86</b>	<b>394.40</b>	<b>101.14</b>	<b>176.08</b>
Direct taxes paid (including fringe benefit taxes paid) (net of refunds)	(208.85)	(133.19)	(44.57)	(39.73)	(34.18)
<b>Net cash generated from operating activities (as restated) (A)</b>	<b>902.02</b>	<b>604.67</b>	<b>349.83</b>	<b>61.41</b>	<b>141.90</b>
<b>B. CASH FLOW USED IN INVESTING ACTIVITIES</b>					
Purchase of fixed assets, including intangible assets, capital work in progress and capital advances	(230.84)	(191.83)	(99.11)	(61.58)	(56.81)
Proceeds from sale of fixed assets	0.20	16.05	0.35	2.12	0.58
Purchase of current investments	(3,932.44)	(2,005.91)	(899.81)	(563.85)	(307.04)
Purchase of long term investment	(580.00)	(144.76)	-	-	-
Sale of current investments	3,421.70	1,773.56	525.51	588.12	49.43

Particulars	For the year ended				
	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Loans given	(45.00)	-	-	-	-
Proceeds from loan repaid	156.03	-	-	-	-
Proceeds from dilution of shares by subsidiary	-	5.25	-	-	-
Investment in bank deposit (with maturity more than three months)	(24.53)	(49.62)	(47.21)	(142.57)	(36.86)
Redemption/maturity of bank deposit (with maturity more than three months)	22.81	38.95	188.48	42.28	33.24
Interest received	2.15	1.88	8.40	7.59	4.95
Proceeds from sale of investments in subsidiary	22.03	0.00	0.00	0.00	0.00
Dividend received	43.55	28.61	25.84	29.40	14.38
<b>Net cash generated used in investing activities (B)</b>	<b>(1,144.34)</b>	<b>(527.82)</b>	<b>(297.55)</b>	<b>(98.49)</b>	<b>(298.13)</b>
<b>C. CASH FLOW FROM /(USED IN) FINANCING ACTIVITIES</b>					
Long term borrowings taken	-	-	4.99	-	-
Repayments of long term borrowings	(1.67)	(1.55)	(0.57)	(0.90)	(1.44)
Receipts from issuance of preference shares (including premium)	333.86	-	-	-	201.51
Receipts from issuance of equity shares (including premium)	0.22	0.75	-	-	-
Receipts from issue of equity shares to Minority shareholders	-	-	1.51	-	-
Share issue expenses	(40.91)	-	-	-	-
Interest paid	(0.17)	(0.29)	(0.04)	(0.05)	(0.14)
Dividend paid	-	-	-	(2.22)	-
Dividend distribution tax	-	-	-	(0.38)	-
<b>Net cash generated from / (used in) financing activities (C)</b>	<b>291.33</b>	<b>(1.09)</b>	<b>5.89</b>	<b>(3.55)</b>	<b>199.93</b>
<b>Net increase / (decrease) in cash and cash equivalents ( A + B + C )</b>	<b>49.01</b>	<b>75.76</b>	<b>58.17</b>	<b>(40.63)</b>	<b>43.70</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>180.08</b>	<b>111.06</b>	<b>52.89</b>	<b>93.52</b>	<b>49.82</b>
Cash and cash equivalents pertaining to the demerged/sold subsidiary	(14.55)	(6.74)	-	-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>214.54</b>	<b>180.08</b>	<b>111.06</b>	<b>52.89</b>	<b>93.52</b>

Components of Cash and Cash Equivalents	For the year ended				
	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Cash in hand	5.89	4.59	0.83	2.63	2.72
Balance with scheduled banks :					
Current account	208.65	175.49	110.23	50.26	90.80
	<b>214.54</b>	<b>180.08</b>	<b>111.06</b>	<b>52.89</b>	<b>93.52</b>

**Notes:**

- 1) Figures in brackets indicate cash outflow
- 2) The above statement should be read with the notes to restated consolidated summary statements of Assets and Liabilities, Profit and Losses and cash flows as appearing in Annexure IVA, IVB & IVC.

As per our report of even date

**For and on behalf of the board of directors of Just Dial Limited**

**For S. R. Batliboi & Associates**  
**Firm registration number: 101049W**  
**Chartered Accountants**

**per Govind Ahuja**  
**Partner**  
Membership No. 48966

Place : Mumbai  
Date: August 8, 2012

**V.S.S. Mani**  
Managing Director

**V. Krishnan**  
Director

**Ramkumar Krishnamachari**  
Chief Financial Officer

**Sachin Jain**  
Company Secretary



#### Annexure IVA: Notes on Material Adjustments

Below mentioned is the summary of results of restatement made in the audited financial statements for the respective years and its impact on the profit/(loss) of the Group is as follows

Particulars	Rs. in million				
	For the year ended				
	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
<b>(A) Net Profit/(loss) as per audited financial statements before adjustments</b>	<b>528.15</b>	<b>293.31</b>	<b>(113.71)</b>	<b>115.18</b>	<b>89.71</b>
<b>Adjustments due to changes in accounting policies</b>					
Increase/ (Decrease) in Depreciation due to change in method from Written Down Value (WDV) Method to Straight Line Method (SLM). (Refer Note 1(a) of Annexure IVB)	-	-	(10.17)	1.91	6.86
Increase in profit on sale of assets due to change in method of depreciation from WDV to SLM basis. (Refer Note 1(a) of Annexure IVB)	-	-	-	0.70	0.27
<b>Other Adjustments</b>					
Increase/(Decrease) in revenues on account of revenue recognition on accrual basis as per Revenue Recognition policy mandated by AS-9 (Refer Note 2(A)(a) of Annexure IVB)	-	-	379.57	(48.75)	(97.61)
Provision for Compensated Absences (Refer Note 2(A)(e) of Annexure IVB)	-	-	14.92	(6.51)	(2.58)
Lease rent adjustment, for straight lining of leases as required by AS-19 - Accounting for Leases (Refer Note 2(A)(c) of Annexure IVB)	-	-	3.13	0.38	(1.16)
Printing and Publishing expenses restated due to change in policy of recognizing printing and publishing expenses based on publishing dates. (Refer Note 2(A)(b) of Annexure IVB)	-	-	-	0.82	0.24
Adjustment for other employee liabilities (Refer Note 2(A)(f) of Annexure IVB)	-	-	23.91	(8.02)	(8.39)
Employee Stock Options - accounting treatment as per the guidance note issued by the Institute of Chartered Accountants of India (Refer Note 2(A)(d) of Annexure IVB)	-	-	12.62	(2.56)	(6.14)
Reversal of Prior year adjustments due to the expense recognition in the year to which it relates.	-	-	-	(0.28)	-
<b>(B) Total Adjustments</b>	<b>-</b>	<b>-</b>	<b>423.98</b>	<b>(62.31)</b>	<b>(108.51)</b>
<b>(C) Tax (under-provisions)/over-provisions (Refer Note 2B of Annexure IVB)</b>	<b>-</b>	<b>0.68</b>	<b>2.34</b>	<b>0.67</b>	<b>(0.79)</b>
<b>(D) Deferred tax impact of adjustments</b>	<b>-</b>	<b>(7.84)</b>	<b>(128.27)</b>	<b>15.86</b>	<b>36.69</b>
<b>Restated Profit (A+B+C+D)</b>	<b>528.15</b>	<b>286.15</b>	<b>184.34</b>	<b>69.40</b>	<b>17.10</b>

#### Notes:

- 1) The above statement should be read with the notes to restated consolidated summary statements of Assets and Liabilities, Profit and Losses and cash flows as appearing in Annexure IVA, IVB & IVC.
- 2) During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Group, for preparation and presentation of its financial statements. The adoption of revised Schedule VI of the Companies Act, 1956 does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and

disclosures made in the financial statements. The Group has also reclassified the previous year figures in accordance with the requirements applicable in the current year

## Annexure IVB

### 1. a. Changes in Accounting Policies

#### **Change in Depreciation policy from Written Down Value Method to Straight Line Method.**

During the year ended March 31, 2010, the Company has changed the method of depreciation from Written down value method to Straight line method. The depreciation figures appearing in the audited financial statements for the years ended March 31, 2009 and 2008 has been restated to provide for the impact in each of the respective financial years due to the change in method of depreciation. The net block of fixed assets has been accordingly changed in each of the financial years ending March 31, 2009 and 2008.

Further, the profit and loss on assets sold in each of the financial years ending March 31, 2009 and 2008 has been recomputed in line with the revised policy.

### b. Presentation and disclosure of financial statements

Financial statements for the year ended March 31, 2012 are prepared in accordance with Revised Schedule VI of the Companies Act, 1956. The adoption of revised Schedule VI of the Companies Act, 1956 does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

## 2. Other Adjustments

### (A) Prior period items

#### a) Revenue recognition

During the year ended March 31, 2010, the Company has with the retrospective effect for previous years, corrected the application of the revenue recognition policy whereby revenue is now prorated over the period of the contract for tenure based contracts, prorated on the leads consumed for lead base contracts and on availability of yellow pages directory to the public for accessing information for print based contracts. The impact due to change in application of revenue recognition policy has been accounted retrospectively and its effect has been recognised by transferring the appropriate revenues to Deferred Revenue under Current Liabilities in each of the restated financial statements for the financial years ended March 31, 2009 and 2008.

#### b) Publishing expense

Printing and publishing expense related to yellow pages directory has been restated in each of financial years ended March 31, 2009 and 2008 based on the expense related to each of the financial years in which the revenue from yellow pages were recognised. In the audited financial statements for such years, the publishing expenses were earlier recognised based on when the expense was due or paid, whichever was earlier.

#### c) Straight-lining of operating lease expenses

In the audited financial statements for the years ended March 31, 2009 and 2008, the lease expenses were accounted on the payments falling due in such financial years. On restatement of financials, the expense towards operating lease has been recognised by straight-lining the lease payments over the duration of the operating lease. The increase in

provision arising due to such adjustment has been accounted under Current Liabilities and Provisions in the restated financial statements of the respective years.

**d) Employee stock options**

In respect of employee stock options granted to employees under the 2 schemes namely Employee Stock Option Scheme 2007 and Employee Stock Option Scheme 2008, the employee stock expense related to the grant of options was not recognised in the audited accounts of the financial years ended March 31, 2009 and 2008. On restatement of financial statements, the compensation expense and the deferred compensation related to employee stock option has been recognised in each of the financial years to which such charge relates. The balance value of the options not recognised during each of the financial years has been recognised under Stock Option Outstanding Account in each of the respective financial years. The share premium related to the exercise of the Employee Stock Options has been recognised in Share Premium account in the respective years in which the options were recognised.

**e) Compensated absences**

Provisions related to compensated absences for the un-availed privilege leave at the end of each financial year has been provided for in the restated financial statements for the financial years ended March 31, 2009 and 2008 as required under AS15 related to Employee Benefits. The provisions are based on the actuarial valuation report provided by a registered Actuary. The provision was not earlier made in the audited financial statements for years ended March 31, 2009 and 2008 and this adjustment has been recorded in the financial statements of the respective years on the restatement.

**f) Employee statutory dues**

The employee statutory dues that were underprovided in the financial statements for the years ended March 31, 2009 and 2008 has been provided in the respective restated financial statements for such years based on the estimate of such liability.

**(B) Income tax adjustments for earlier years**

Short or excess provision of prior taxes provided in each of the accounting year has been adjusted in the respective financial years for which the taxes were under provided. The above change to the accounting policy has resulted in net deferred tax assets in the restated financial statements. A major proportion of such deferred tax assets emanate from tax paid by the Company on its collected revenue in the previous financial years. The deferred tax liabilities appearing in each of the audited financial statements for the years ended March 31, 2009 and 2008 have been offset with the deferred tax assets created as a consequence of the above changes and the net deferred tax amount has been recognised in the restated financial statements for the years ended March 31, 2009 and 2008.

**3. Material regroupings**

Appropriate adjustments have been made in the restated consolidated summary statements of Assets and Liabilities, Profits and Losses and Cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the regroupings as per the audited financials of the Company for the year ended March 31, 2012, prepared in accordance with revised Schedule VI, and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

4. **Restatement adjustments made in the audited opening balance figure in the net surplus in the statement of profit and loss for fiscal 2008**

Particulars	Rs. in million
<b>(A) Net Surplus in statement of Profit and Loss as at April 1, 2007 as per audited financial statements</b>	<b>109.15</b>
<b>Adjustments due to changes in accounting policies</b>	
Increase in Depreciation due to change in method from Written Down Value (WDV) Method to Straight Line Method (SLM).(Refer Note 1(a))	1.18
<b>Decrease in Profit on sale of asset due to change in the method of depreciation</b> from Written Down Value (WDV) Method to Straight Line Method (SLM).	(0.53)
<b>Other Adjustments</b>	
Decrease in revenues on account of revenue recognition on accrual basis as per Revenue Recognition policy mandated by AS-9 (Refer Note 2(A)(a))	(233.18)
Provision for Compensated Absences(Refer Note 2(A)(e))	(5.82)
Lease rent adjustment, for straight lining of leases as required by AS-19 - Accounting for Leases(Refer Note 2(A)(c))	(2.39)
Printing and publishing expenses restated due to change in the policy of recognizing printing and publishing expenses based on publishing dates(Refer Note 2(A)(b))	(1.03)
Employee stock options- Accounting treatment as per the guidance note issued by the Institute of Chartered Accountants of India. (Refer Note 2(A)(d))	(3.93)
Adjustment for other employee liabilities(Refer Note 2(A)(f))	(7.51)
<b>(B) Total Adjustments</b>	<b>(253.21)</b>
<b>(C) Tax (under-provisions)/over-provisions(Refer Note 2(B))</b>	<b>(2.73)</b>
<b>(D) Deferred Tax impact of adjustments</b>	<b>83.47</b>
<b>Net Surplus /(Deficit) in the Statement of Profit and Loss as at April 1, 2007 (as restated)</b>	<b>(63.32)</b>

**ANNEXURE IVC: Notes to the restated consolidated summary statements of assets and liabilities, profits and losses and cash flows for the year ended March 31, 2012, 2011, 2010, 2009 and 2008.**

**1. Background**

Just Dial Limited ('the Company') was incorporated in India with limited liability on December 20, 1993 under the name A&M Communications Private Limited. The Company provides local search related services to users in India through multiple platforms such as the internet, mobile internet, print, over the telephone (voice) and text (SMS). The Company has however discontinued providing services through print platform from financial year 2010-11 onwards.

At the extra-ordinary general meeting of the shareholders held on July 22, 2011, the shareholders approved the conversion of the Company from private limited Company to a public limited Company, and approved the change in the name of the Company from Just Dial Private Limited to Just Dial Limited. The Company has received a certificate of change in name from the Registrar of Companies on July 26, 2011.

The Company had the following subsidiaries (The Company together with its subsidiaries are hereinafter collectively referred as the 'Group'):

<b>Companies</b>	<b>Country of Incorporation</b>	<b>Ownership Interest</b>	<b>Relationship</b>
Just Dial Inc (Florida) (from April 25, 2006 to December 31,2009)	United States of America	100%	Subsidiary
Just Dial Inc ( Delaware ) (from December 31, 2009 till July 21, 2011)	United States of America	100%	Subsidiary
Just Dial Global Private Limited (from March 18, 2010 to March 31, 2010)	India	77.78%	Subsidiary

**2. Basis of preparation.**

The restated consolidated summary statement of assets and liabilities of the Group as at March 31, 2012, 2011, 2010, 2009 and 2008 and the related restated consolidated summary statement of profits and losses and cash flows for the year ended March 31, 2012, 2011, 2010, 2009 and 2008 [herein collectively referred to as ('Restated consolidated summary statements')] relate to the Group and have been prepared specifically for the inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India ('SEBI') in connection with its proposed Initial public offering.

The restated consolidated summary statements have been prepared to comply in all material respects with the requirements of Schedule II to Companies Act, 1956 ('the Act') and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ('the Regulations').

Consolidated Financial statements for the year ended March 31, 2012 are prepared in accordance with Revised Schedule VI of the Companies Act 1956. The consolidated financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under Accounting Standard (AS) 21 Consolidated Financial Statements' notified by Companies (Accounting Rules) 2006 (as amended). The consolidated financial statements have been prepared using uniform accounting policies. The financial statements of the Company and its subsidiaries are consolidated on a line by line basis by cumulating the individual items of assets, liabilities, income and expenses after eliminating intra-group transactions.

The Revenue and expenses of the non-integral subsidiary are translated into Indian rupees at the average exchange rate during the period. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the foreign currency translation reserve.

The consolidated financial statements are presented to the extent possible, in the same format as that adopted by the parent for its separate financial statements. The significant accounting policies adopted by the Group for the purpose of Consolidated Financial Statements are consistent with those used in the previous year, except for changes in accounting policy explained in note 1 of Annexure IV B.

### **3. Statement of Significant Accounting Policies**

#### **3.1 Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates

#### **3.2 Tangible fixed assets.**

Fixed assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

#### **3.3 Depreciation on tangible fixed asset.**

Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under Schedule XIV of the Companies Act, 1956 whichever is higher as follows:

<b>Particulars</b>	<b>Estimated useful life</b>	<b>Depreciation rates (SLM) (%)</b>
Buildings	20 Years	5.00
Plant and Machinery	6 Years	16.67
Computers	5 Years	20.00
Furniture and Fittings	7 Years	14.29
Motor Car	5 Years	20.00
Headsets	3 Years	33.33
Office Equipment	7 Years	14.29

Depreciation on assets purchased/sold during the year is proportionately charged. The lease hold improvements are written off over the period of lease, ranging from 1 to 9 years, or useful life whichever is lower.

#### **3.4 Impairment**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are

discounted to their present value using a pre tax discount rate that reflects the current market assessments of the time value of money and risk specific to the asset

### **3.5 Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost, less accumulated amortization. Internally generated intangible assets are not capitalized and expenditure is charged to statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortised on a straight line basis over the estimated useful economic life. The Group uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the intangible asset is amortised over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern. Such changes are accounted for in accordance with Accounting Standard (AS) 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

A summary of amortisation policies applied to the Group's intangible assets is as below:

#### **Goodwill**

Goodwill is amortised on a straight line basis over a period of five years. Carrying value of goodwill is reviewed for impairment annually and otherwise when events or changes in circumstances indicate that the goodwill may be impaired.

#### **Software**

Software is amortised on a straight line basis over a period of five years being the estimated useful life.

#### **Website development costs**

Website development costs are amortised on a straight line basis over a period of five years being the estimated useful life.

#### **Unique telephone numbers**

Unique telephone numbers are amortised on a straight line basis over a period of five years being the estimated useful life.

### **3.6 Leases**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.



### **3.7 Borrowing cost**

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

### **3.8 Investments**

Investments that are readily realisable and intended to be held for not more than a year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties, as applicable.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Non-Current investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary, in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

### **3.9 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

#### **3.9.1 Income from services**

##### **Sale of Search related services**

Revenues from tenure based contracts are recognised pro-rata over the contract period.

Revenues from lead based contracts are recognised as per provision of leads to the customer.

Revenue from yellow pages publication services are recognized as per the availability of yellow pages directory to the public for accessing information.

##### **Other Operating revenue**

Other Operating revenue comprises revenue from reseller providing data collection services. Revenue from resellers constitutes a one-time registration fee and an annual fee. The one-time registration fee is recognised when the contract with reseller is entered into and the annual fee is recognised on a prorata basis over the period of the contract

#### **3.9.2 Interest**

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

#### **3.9.3 Dividends**

Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date.

#### **3.9.4 Service charges**

Revenue from service charges is recognised upon rendering of services.

### **3.10 Foreign currency translation**

#### **3.10.1 Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### **3.10.2 Conversion**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

#### **3.10.3 Exchange differences**

Exchange differences arising on a monetary item that, in substance, form part of the Group's net investment in a non-integral foreign operation is accumulated in a foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognised as income or as expenses.

Exchange differences arising on the settlement of monetary items or on reporting such monetary items of the Company at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

### **3.11 Retirement and other employee benefits**

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Statement of profit and loss of the year when the contributions to the Government of India are due. There are no other obligations other than the contribution payable to the Government of India.

Gratuity liability are defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the Statement of profit and loss and are not deferred. The Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date

Actuarial gains/losses are immediately taken to the Statement of profit and loss and are not deferred.

### **3.12 Income taxes**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right

exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Group re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Group writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

### **3.13 Employee stock compensation cost**

In accordance with the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method and recognised, together with a corresponding increase in the “Stock options outstanding account” in reserves. The cumulative expense recognised for equity settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognised in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense

### **3.14 Segment reporting policies**

The Group’s operating business are organised and managed separately according to the services provided with each segment representing a strategic business unit that offers different services and serves different markets. The analysis of the geographical segment is based on the areas in which major operating divisions of the Group operate.

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

### **3.15 Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and related attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### **3.16 Provisions**

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

### **3.17 Contingent liabilities.**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements

### **3.18 Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less

## **4. Details of preference shares issued during the year ended March 31, 2012 and 2008**

- 4.1 Issued subscribed and fully paid up 34,169 6% Cumulative redeemable optionally convertible preference shares (Series A) of face value Rs.10 per share for a price of Rs. 4,594.94 per share on June 22, 2007.
- 4.2 Issued subscribed and fully paid up 8,713 6% Cumulative redeemable optionally convertible preference shares (Series A) of face value Rs.10 per share for a price of Rs. 4,606.99 per share on July 3, 2007.
- 4.3 Issued subscribed and fully paid up 1,798 6% Cumulative redeemable optionally convertible preference shares (Series A) of face value Rs.10 per share for a price of Rs. 4,606.99 per share on July 3, 2007.
- 4.4 Issued subscribed and fully paid up 1 0.1% Non-cumulative redeemable optionally convertible preference share(Series B) of face value Rs.10 per share for a price of Rs.10 per share on July 3, 2007
- 4.5 Issued subscribed and fully paid up 968,060 6% Non-cumulative redeemable compulsorily convertible preference Shares (Series C) of face value of Rs.10 per share for a price of Rs.344.88 per share on May 31, 2011.

## **5. Capital Commitments**

Estimated amounts of contracts to be executed on capital account and not provided for in the accounts of the Company, net of advances, is Rs.38.98 million as at March 31, 2012, Rs.19.87 million as at March 31, 2011, Rs.8.64 million as at March 31, 2010 and Rs. Nil as at March 31, 2009 and 2008.

## **6. Segment disclosure**

The business segments are the basis on which the Group reports its primary operational information to Management. The Group businesses are managed primarily as local search related services and infrastructure support and marketing services.

For the year ended March 31, 2012 and for the year ended March 31, 2011, the following tables present revenue, profit and related asset and liability information regarding business segments:

## Business Segment

Rs. in million

Particulars	Local search services	Infrastructure support and marketing services	Elimination	Consolidated total	Local search services	Infrastructure support and marketing services	Elimination	Consolidated total
	March 31, 2012				March 31, 2011			
Revenue	2,620.61	53.98	-	2,674.59	1,839.33	23.28	-	1,862.61
Segment Result	708.83	3.95	0.59	713.37	420.99	(1.27)	-	419.72
Interest expense	0.17	2.09	(2.09)	0.17	0.29	0.75	(0.75)	0.29
Interest income	4.30	-	(2.09)	2.21	2.27	-	(0.75)	1.52
Income taxes	206.67	(1.92)	-	204.75	134.74	0.06	-	134.80
Profit before exceptional items	506.27	3.78	0.59	510.64	288.23	(2.08)	-	286.15
Profit on sale of subsidiary	-	-	-	17.51	-	-	-	-
Net Profit as restated	-	-	-	528.15	288.23	(2.08)	-	286.15

Rs. in million

Particulars	Local search services	Infrastructure support and marketing services	Elimination	Consolidated total	Local search services	Infrastructure support and marketing services	Elimination	Consolidated total
	March 31, 2012				March 31, 2011			
Other Information:								
Segment assets	852.45	-	-	852.45	626.84	36.34	-	663.18
Unallocated corporate assets	1,625.30	-	-	1,625.30	1,230.83	-	-	1,230.83
Total assets	2,477.75	-	-	2,477.75	1,857.67	36.34	-	1,894.01
Segment liabilities	(1,405.32)	-	-	(1,405.32)	(960.17)	(3.04)	0.75	(962.46)
Unallocated corporate liabilities	-	-	-	-	-	-	-	-
Total liabilities	(1,405.32)	-	-	(1,405.32)	(960.17)	(3.04)	0.75	(962.46)
Capital expenditure	(230.84)	-	-	(230.84)	(191.83)	-	-	(191.83)
Depreciation / amortization	90.23	0.73	-	90.96	67.88	2.37	-	70.25
Other non cash expenses	5.60	-	-	5.60	15.53	-	-	15.53

Note: The Company had only one business segment up to March 31, 2010 and hence disclosure of the segment-wise information is not required under AS-17 – ‘Segment Reporting’ notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) for the years ended March 31, 2010, 2009 and 2008

## Geographical segment

The following tables show the distribution of Group's consolidated sales revenue by Geographical Segment and the carrying amount of consolidated segment assets and addition to consolidated segment assets by geographical segments in which assets are utilized:

### Revenue Segment

Rs. in million

Particulars	Year ended				
	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
India	2,620.61	1,839.33	1,309.07	859.22	695.87
Outside India	53.98	23.28	-	-	-
<b>Total</b>	<b>2,674.59</b>	<b>1,862.61</b>	<b>1,309.07</b>	<b>859.22</b>	<b>695.87</b>

The following tables show the carrying amount of segment assets and addition to segment assets by geographical segments in which assets are utilized:

## Carrying amount of segment assets and intangible assets

Rs. in million

Particulars	As at				
	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
India	2,477.75	1,857.67	1,201.94	820.38	425.77
Outside India	-	36.34	4.66	7.76	8.29
<b>Total</b>	<b>2,477.75</b>	<b>1,894.01</b>	<b>1,206.60</b>	<b>828.14</b>	<b>434.06</b>

## Additions to fixed assets and intangible assets

Rs. in million

Particulars	As at				
	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
India	230.84	191.83	96.55	58.39	56.81
Outside India	-	-	-	-	-
<b>Total</b>	<b>230.84</b>	<b>191.83</b>	<b>96.55</b>	<b>58.39</b>	<b>56.81</b>

## 7. Employees benefit

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The subsidiary company does not have any employees.

The following tables summarize the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the respective plans.

### Statement of Profit and Loss

#### Net employee benefit expenses (recognised in employee cost)

Rs. in million

Particulars	As at				
	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Current service cost	7.27	5.13	3.79	1.94	2.79
Interest cost on benefit obligation	2.19	1.08	0.77	0.49	0.74
Expected return on plan assets	(2.33)	(1.68)	(1.08)	(0.70)	(0.48)
Net actuarial (gain) / loss recognised in the year	9.84	1.67	0.24	1.64	(1.02)
<b>Net Benefit expense</b>	<b>16.97</b>	<b>6.20</b>	<b>3.72</b>	<b>3.37</b>	<b>2.03</b>
Actual Return on Plan Assets	2.62	1.68	1.08	0.70	0.48

## Balance sheet

### Details of Provision of Gratuity

Rs. in million

Particulars	As at				
	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Defined benefit obligation	38.59	20.49	13.55	9.67	6.11
Fair value of plan assets	41.01	29.10	16.49	7.76	6.80
<b>Plan asset/(liability)</b>	<b>2.42</b>	<b>8.61</b>	<b>2.94</b>	<b>(1.91)</b>	<b>0.69</b>

Changes in the present value of the defined benefit obligation are as follows:

Rs. in million

Particulars	As at				
	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Opening defined benefit obligation	20.49	13.55	9.67	6.11	4.10
Interest cost	2.19	1.08	0.77	0.49	0.74
Current service cost	7.27	5.13	3.79	1.94	2.79
Less: benefits paid	(1.49)	(0.94)	(0.92)	(0.51)	(0.50)
Actuarial (gains) / losses on obligation	10.13	1.67	0.24	1.64	(1.02)
<b>Closing defined benefit obligation</b>	<b>38.59</b>	<b>20.49</b>	<b>13.55</b>	<b>9.67</b>	<b>6.11</b>

Changes in the fair value of the defined benefit obligation are as follows:

Rs. in million

Particulars	As at				
	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Opening fair value of plan assets	29.10	16.49	7.76	6.80	5.59
Expected return	2.33	1.68	1.08	0.70	0.48
Contributions by employer	10.78	11.87	8.57	-	2.85
Less: benefits paid	(1.49)	(0.94)	(0.92)	(0.51)	(0.50)
Less: Actuarial gains/(losses)	0.29	-	-	0.77	(1.62)
<b>Closing fair value of plan assets</b>	<b>41.01</b>	<b>29.10</b>	<b>16.49</b>	<b>7.76</b>	<b>6.80</b>

The Company expects to contribute approximately an additional Rs 5,000,000 i.e. 5 million to gratuity in the year ended March 31, 2013.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	Year ended				
	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
	(%)	(%)	(%)	(%)	(%)
Investments with	100	100	100	100	100

Particulars	Year ended				
	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
	(%)	(%)	(%)	(%)	(%)
insurer					

The overall expected rate of return on assets is determined based on the market prices prevailing on the date, applicable to the period over which the obligation is to be settled.

The principal assumptions used in determining gratuity for the Company's plans are shown below:

Particulars	Year ended				
	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Discount Rate	8.35%	8.00%	8.00%	8.00%	8.00%
Salary Escalation	7.00%	5.00%	5.00%	5.00%	7.00%
Withdrawal Rate	0% - 57% depending on age and designation	1-3% depending on age	1-3% depending on age	1-3% depending on age	1-3% depending on age

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

#### Experience adjustments:

Amounts for the current year and previous five years are as follows:

Particulars	Year ended					Rs. in million
	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	
Defined benefit obligation	38.59	20.49	13.55	9.67	6.11	
Plan assets	41.01	29.10	16.49	7.76	6.80	
<b>Surplus/ (deficit)</b>	<b>2.42</b>	<b>8.61</b>	<b>2.94</b>	<b>(1.91)</b>	<b>0.69</b>	
Experience adjustment on plan liabilities	1.65	1.67	0.24	1.64	(0.98)	
Experience adjustment on plan assets	0.29	-	-	-	(0.02)	

#### 8. Operating lease

Office premises are obtained on operating lease. The lease rent is payable as per the terms of the lease agreements. The lease terms are different for each of the leases and the maximum lease term ranges from 1 year to 9 years. Some of the leases are renewable for further 5 years at the option of the Company. There are escalation clauses in the lease agreement for which rent is provided on straight lining basis. There is a lock in period of minimum 3 years in some lease agreements. There are no subleases.

Details of lease payments during the year and future commitments on non-cancellable operating leases are as follows:



Rs. in million

Particulars	As at				
	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Lease payments for the year	119.44	93.47	71.33	40.84	34.32
Minimum Lease Payments :					
Not later than one year	127.14	103.34	69.36	27.88	32.29
Later than one year but not later than five years	363.65	327.07	237.06	73.96	29.67
Later than five years	87.89	119.07	113.92	25.64	6.05

9. Deferred tax asset

Rs. in million

Timing difference on account of	Deferred tax assets/ (liability) as at March 31, 2012	Deferred tax assets/ (liability) as at March 31, 2011	Deferred tax assets/ (liability) as at March 31, 2010	Deferred tax assets/ (liability) as at March 31, 2009	Deferred tax assets/ (liability) as at March 31, 2008
<b>Deferred tax assets</b>					
Expenditure debited to Statement of profit and loss in the respective years but allowable in tax returns in subsequent years	17.87	16.73	14.88	9.23	7.05
Revenue taxed on receipt basis	-	1.17	4.38	129.16	115.00
Preliminary Expenses	1.26	1.69	-	-	-
Carried forward losses	-	-	20.48	-	-
<b>Subtotal (A)</b>	<b>19.13</b>	<b>19.59</b>	<b>39.74</b>	<b>138.39</b>	<b>122.05</b>
<b>Deferred tax liability</b>					
Difference between tax depreciation and book depreciation	(9.99)	(7.16)	(11.68)	(11.49)	(8.81)
<b>Subtotal (B)</b>	<b>(9.99)</b>	<b>(7.16)</b>	<b>(11.68)</b>	<b>(11.49)</b>	<b>(8.81)</b>
<b>Total (A+B)</b>	<b>9.14</b>	<b>12.43</b>	<b>28.06</b>	<b>126.90</b>	<b>113.24</b>

10. Earnings per share ('EPS')

The calculations of earnings per share are based on the net profit and number of shares as computed below:

Rs. in million

Particulars	Year ended				
	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Net profit as per Statement of Profit and Loss as restated	528.15	286.15	184.34	69.40	17.10
Less: Dividends on convertible preference shares & tax thereon	42.01	43.16	52.81	52.81	49.21
Net profit for calculation of basic EPS	486.14	242.99	131.53	16.59	(32.11)

Particulars	Year ended				
	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Weighted number of equity shares for calculating basic EPS	51,907,807	51,591,690	47,948,208	47,948,208	47,948,208
Basic EPS (Rs.)	9.37	4.72	2.74	0.35	(0.67)
Weighted number of equity shares for calculating diluted EPS	64,980,754	62,731,629	47,960,764	47,954,195	-
Diluted EPS (Rs.)	8.13	4.57	2.74	0.35	(0.67)

Note: The Company has 195,565 (2010-11: 195,565, 2009-10: 252,486, 2008-09: 252,486 and 2007-08: 252,486) 6% cumulative convertible preference shares, 1 (2010-11: 1, 2009-10: 1, 2008-09: 1 and 2007-08: 1) 0.1% non-cumulative convertible preference shares and 968,060 (2010-11: Nil, 2009-10: Nil, 2008-09: Nil and 2007-08: Nil) 6% non-cumulative compulsorily convertible preference shares outstanding as at March 31, 2012. However, this has not been considered for diluted EPS for the years ended March 31, 2010, 2009 and 2008 as they are anti-dilutive in nature. ESOP issued to employees has not been considered for diluted EPS for the years ended March 31, 2008 as they are anti-dilutive in nature.

#### 11. Provision for employee related liability

In January 2011, the Company received a show cause notice for the applicability of Employees State Insurance Corporation Act (ESIC), subsequent to which an assessment order was issued by the ESIC authorities, whereby liability of Rs. 6.53 million was assessed up to September 2010. The order, however, states that it is issued without prejudice to ESIC's right to inspect the records of the said period and determine the contributions on the basis of the said inspection. The Company has appealed against this order in the High Court claiming the provisions of ESIC are not applicable to it.

However the Company has recorded the ESIC provision during the previous years' aggregating to Rs 32.13 million and continues to maintain a provision for Employee State Insurance Contribution of Rs 30.25 million pertaining to previous five years ended March 31, 2010 as at March 31, 2012 and 2011 based on estimates and as per the provisions of the ESIC Act. This provision will be adjusted / settled on completion of the assessment. The Company has also deposited the amount of Rs. 4.47 million under protest.

#### 12. Employee stock option plans:

The Company has provided various share-based payment schemes to its employees. During the last five years ended March 31, 2012, 2011, 2010, 2009 and 2008, the following schemes were in operation:

Particulars	Pool	Date of grant	Date of Board/ Shareholders' Approval	Number of options granted	Vesting Year	Vesting Conditions
ESOP Scheme 2007	Pool 1	29-Mar-07	15-Mar-07	9,400	4 Years	25% vests every year from the grant date subject to continuance of services
ESOP Scheme 2008	Pool 2	31-Jan-09	19-Jan-09	11,170	4 Years	10%, 20%, 30% & 40% vests in each of the first 4 years from the date of the grant subject to continuance of services
	Pool 3	31-Jan-10	27-Jan-10	400	4 years	10%, 20%, 30% & 40%

Particulars	Pool	Date of grant	Date of Board/ Shareholders' Approval	Number of options granted	Vesting Year	Vesting Conditions
						vests in each of the first 4 years from the date of the grant subject to continuance of services
	Pool 4	25-Mar-10	22-Mar-10	6,975	1 Year	100% vests immediately
<b>ESOP Scheme 2010</b>	Pool 5	30-Apr-10	24-Apr-10	82,936	4 Years	25% vests every year from the grant date subject to continuance of services
	Pool 6	27-Jul-10	27-Jul-10	640,727	4 Years	10%, 20%, 30% & 40% vests in each of the first 4 years from the date of the grant subject to continuance of services
	Pool 6	31-Oct-10	20-Oct-10	155,176	4 Years	10%, 20%, 30% & 40% vests in each of the first 4 years from the date of the grant subject to continuance of services
	Pool 6	1-Dec-10	1-Dec-10	138,525	4 Years	10%, 20%, 30% & 40% vests in each of the first 4 years from the date of the grant subject to continuance of services
	Pool 6	25-Mar-11	25-Mar-11	10,311	4 Years	10%, 20%, 30% & 40% vests in each of the first 4 years from the date of the grant subject to continuance of services

The details of activity under Pool 1 of ESOP scheme 2007 with weighted average exercise price of Rs.10 have been summarised below:

Particulars	Number of options				
	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Outstanding at the beginning of the year	-	5,648	6,023	6,623	7,073
Granted during the year	-	-	-	-	-
Forfeited during the year	-	-	375	600	450
Exercised during the year	-	5,648	-	-	-
Outstanding at the end of the year	-	-	5,648	6,023	6,623
Exercisable at the end of the year	-	-	5,648	3,673	1,927
Weighted average remaining contractual life (in years)	-	-	3	4	5
Weighted average fair value of options granted on the date of grant	-	1,693	1,693	1,693	1,693

The details of activity under Pool 2 of ESOP Scheme 2008 with weighted average exercise price of Rs.4,595 have been summarised below:

Particulars	Number of options				
	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Outstanding at the beginning of the year	11,170	11,170	11,170	-	-
Granted during the year	-	-	-	11,170	-
Outstanding at the end of the year	11,170	11,170	11,170	11,170	-
Exercisable at the end of the year	6,702	3,351	1,117	-	-
Weighted average remaining contractual life (in years)	4	5	6	7	-
Weighted average fair value of options granted on the date of grant	48	48	48	48	-

The details of activity under Pool 3 of ESOP Scheme 2008 with weighted average exercise price of Rs.4,500 have been summarised below:

Particulars	Number of options				
	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Outstanding at the beginning of the year	400	400	-	-	-
Granted during the year	-	-	400	-	-
Outstanding at the end of the year	400	400	400	-	-
Exercisable at the end of the year	120	40	-	-	-
Weighted average remaining contractual life (in years)	5	6	7	-	-
Weighted average fair value of options granted on the date of grant	531	531	531	-	-

The details of activity under Pool 4 of ESOP Scheme 2008 with weighted average exercise price of Rs.10 have been summarised below:

Particulars	Number of options				
	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Outstanding at the beginning of the year	-	6,975	-	-	-
Granted during the year	-	-	6,975	-	-
Exercised during the year	-	6,975	-	-	-
Outstanding at the end of the year	-	-	6,975	-	-
Exercisable at the end of the year	-	-	6,975	-	-
Weighted average fair value of options granted	-	2,094	2,094	-	-

The details of activity under Pool 5 of ESOP Scheme 2010 with weighted average exercise price of Rs.80 have been summarised below:

Particulars	Number of options				
	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Outstanding at the beginning of the year	82,936	-	-	-	-
Granted during the year	-	82,936	-	-	-
Exercised during the year	2800	-	-	-	-
Outstanding at the end of the year	80,136	82,936	-	-	-
Exercisable at the end of the year	17,934	-	-	-	-
Weighted average remaining contractual life (in years)	6	7	-	-	-
Weighted average fair value of options granted	37	37	-	-	-

The details of activity under Pool 6 of ESOP Scheme 2010 with weighted average exercise price of Rs.69 have been summarised below:

Particulars	Number of options				
	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Outstanding at the beginning of the year with exercise price of Rs.10.	155,176	-	-	-	-
Outstanding at the beginning of the year with exercise price of Rs.80.	789,563	-	-	-	-
Granted during the year with exercise price of Rs.10.	-	155,176	-	-	-
Granted during the year with exercise price of Rs.80.	-	789,563	-	-	-
Outstanding at the end of the year of Rs 10	155,176	-	-	-	-
Outstanding at the end of the year of Rs 80	789,563	944,739	-	-	-
Exercisable at the end of the year of Rs 10	15,518	-	-	-	-
Exercisable at the end of the year of Rs 80	78,956	-	-	-	-
Weighted average remaining contractual life (in years)	6	7	-	-	-
Weighted average fair value of options granted	44	44	-	-	-

Effect of the employee share-based payment plans on the Statement of Profit and Loss and on its financial position

Rs. in million

Particulars	Number of options				
	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Total employee compensation cost pertaining to share based payment plans (all equity settled)	5.60	3.24	13.97	2.55	6.14
Employee compensation cost transferred to Share Premium in the respective years	0.01	22.67	-	-	-
Liability for employee stock option outstanding as at the year end	8.83	3.24	22.67	8.69	6.14

**Impact on the reported net profit and earnings per share by applying the fair value based method**

As per the guidance note on 'Accounting for Employees Share Based Payments' issued by the Institute of Chartered Accountants of India, the Proforma disclosures of the impact of the fair value method of accounting of employee stock compensation accounting in the financial statements on the reported net profit and earning per share would be as follows:

Rs. in million (except EPS in Rs.)

Particulars	Year ended				
	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Profit as per consolidated restated financials	528.15	286.15	184.34	69.40	17.10
Less: Dividends on convertible preference shares & tax thereon	42.01	43.16	52.81	52.81	49.21
Add: Employee stock compensation under intrinsic value method	5.60	3.24	13.97	2.55	6.14
Less: Employee stock compensation under fair value method	15.27	9.65	15.01	5.12	12.54
Proforma restated profit	476.47	236.58	130.49	14.02	(38.51)
Earnings per share					
Basic earnings per share					
As reported	9.37	4.72	2.74	0.35	(0.67)
Proforma	9.18	4.56	2.72	0.29	(0.80)
Diluted earnings per share					
As reported	8.13	4.57	2.74	0.35	(0.67)
Proforma	7.98	4.44	2.72	0.29	(0.80)

### Stock options granted

There are no options granted during the year ended March 31, 2012. The weighted average fair value of stock options granted during the previous years is provided in the table below. Black-Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	2011			2010		2009
	Pool 6	Pool 5	Pool 4	Pool 3	Pool 2	
Weighted average share price (Rs.) (Refer Note. 1)	85	85	85	2,600	2,100	2,600
Exercise Price (Rs.)	80	10	80	10	4,500	4,595
Expected Volatility	-	-	-	-	-	-
Historical Volatility	-	-	-	-	-	-
Life of the options granted in years	7	7	7	7	7	7
Expected dividends	-	-	-	-	-	-
Average risk-free interest rate	7.69%	7.53%	7.69%	7.58%	7.67%	7.87%
Expected dividend rate	-	-	-	-	-	-

As the Company is unlisted the expected volatility and historical volatility is assumed to be nil

Notes:

1. Bonus shares: The exercise price for ESOP Pool 2 and Pool 3 and the weighted average share Fair value of options for Pool 2, Pool 3 and Pool 4 are higher compared to ESOP Pool 5 and Pool 6 as Company had issued bonus shares in the ratio of 55 shares for every 1 share held.
2. As resolved by Board of Directors and approved by shareholders in extra ordinary general meeting held on April 24, 2010, additional pool shall be created to give the effect of bonus element to existing Options.
3. Subsequent to year end, some of the ESOPs described above have been exercised by the employees [Refer note 17(b)]

#### 13. a) Scheme of arrangement with Just Dial Global Private Limited

During the year ended March 31, 2011 pursuant to a High Court sanctioned scheme under section 391 to 394 read with sections 100 to 103 of the Companies Act, 1956, Just Dial Global Private Limited ('JD Global'), the erstwhile subsidiary of the Company reduced its share capital by cancelling 525,000 shares being the entire holding of the Company in JD Global and by paying back Rs.5.25 million to the Company with effect from April 1, 2010.

13. b) Further, during the year ended March 31, 2011 the Company invested Rs.144.76 million in 306,495, 6% cumulative redeemable (optionally convertible) preference shares of Rs 10 each and during the year ended March 31, 2012 the Company has invested a further sum of Rs.580 million in 305,263, 0.01% cumulative redeemable (optionally convertible) preference shares of Rs 10 each in JD Global.

#### 14. Demerger of part of testing service business undertaking

The Honorable High Court Bombay vide its order dated October 14, 2011 has approved the demerger of undertaking providing IT testing business and other related services along with the IT infrastructure utilised for providing such services and the Company's investment in Just Dial Global Private Limited ('JD Global') to JD Global.

Pursuant to the Scheme, from the appointed date of August 1, 2011 the book value of assets of IT testing business of Rs. 0.25 million and the Company 's aggregate investment in preference shares of JD Global of Rs. 724.76 million are transferred to JD Global. There are no liabilities pertaining to the Demerged Undertaking. The value of the assets including the preference shares held by the Company in JD Global aggregate to Rs. 725.01 transferred pursuant to the Scheme has been adjusted against balance in the Company 's securities premium account to the extent of Rs. 326.64 million and the balance of Rs.398.37 million has been adjusted against surplus i.e. the balance in statement of profit and loss.

As a consideration for transfer, the equity and preference shareholders of the Company as on August 1, 2011 have received equity shares in JD Global in proportion to their shareholding in the Company.

## 15. Discontinuing operations

### (a) IT testing and other related services

As part of the Scheme referred to in Note 14 above, the part of the IT related testing business and other related services has been demerged to Just Dial Global Private Limited.

### (b) Infrastructure support and marketing services:

The Group reported revenue from Infrastructure Support and Marketing Services for the period from April 1, 2011 to July 21, 2011.

The carrying amount of the total assets and liabilities as on July 21, 2011 of the subsidiary, providing Infrastructure Support and Marketing Services, which was sold during the year is as follows

Particulars	Rs. in million	
	As at	
	July 21, 2011	March 31, 2011
Total Assets	115.20	36.34
Total Liabilities	110.68	36.36
Net Assets	4.52	(0.02)

The net cash flows attributable to the subsidiary providing Infrastructure Support and Marketing Services are as follows:

	Rs. in million	
	For the period ended July 21, 2011	For the year ended March 31, 2011
Operating	(57.07)	(27.02)
Investing	-	-
Financing	66.51	32.42

### (c) The details of revenue expenses and profits relating to the discontinuing operations described in note (a) and (b) for the year ended March 31, 2012 above are as follows:

Particulars	Rs. in million		
	IT testing and other related services	Infrastructure support and marketing services	Total
Revenue	2.97	53.98	56.95
Expenses	(0.67)	(52.12)	(52.79)
Profit before tax	2.30	1.86	4.16
<b>Tax expense</b>			
Current Tax	0.71	0.64	1.35
Deferred tax credit	-	(2.56)	(2.56)



Particulars	IT testing and other related services	Infrastructure support and marketing services	Total
<b>Total tax expense</b>	<b>0.71</b>	<b>(1.92)</b>	<b>(1.21)</b>
<b>Profit after tax</b>	<b>1.59</b>	<b>3.78</b>	<b>5.37</b>

16. Other expenses include printing and publication expenses relating to yellow pages publication services Rs. Nil for the year ended March 31, 2012 and Rs. Nil, Rs. 19.99 million, Rs. 38.22 million and Rs. 36.99 million for the years ended March 31, 2011, 2010, 2009 and 2008 respectively.

**17. Events Subsequent to March 31, 2012**

- a) During May 2012, pursuant to resolution passed by the board of directors all the preference shares outstanding were converted into equity shares as follows:
1. 968,060, 6% non cumulative compulsory convertible preference shares Series C of Rs. 10/- each were converted in the ratio of 1:1 into 968,060 equity shares of face value of Rs. 10/- each.
  2. 1, 0.1% non cumulative redeemable convertible preference share (Optionally Convertible) of Series B converted in the ratio of 1:1 into 1 equity share of face value of Rs. 10/- each.
  3. 195,565, 6% cumulative redeemable preference shares (Optionally Convertible) of Series A of Rs. 10/- each were converted in the ratio of 1:1 into 195,565 equity shares of face value of Rs. 10/- each. Further, as per terms of issue of preference shares, pursuant to issue of bonus shares to equity shareholders in the ratio of 55 shares for each share during the year ended March 31, 2011, the Company issued 10,756,075 equity shares of Rs. 10/- each to shareholders of above equity shares.
- b) Further, out of the total 1,036,445 outstanding ESOP, (corresponding to 1,672,795 options including bonus), employees holding 88,742 options have exercised the options on June 11, 2012. Based on which, the Company has allotted 88,742 equity shares and issued 375,210 bonus shares to employees holding 6,822 ESOP under Pool 2 and 3 in the ratio of 55:1.
- c) The Company has raised Rs 2,509.99 million from the issue of 5,136,486 equity shares of Rs 10 each at a premium of Rs 478.66 per share, for cash, to the affiliates of existing investor, Sequoia Capital India Investment III.
- d) Further, the Company has reconsidered its plan for the proposed initial public offering of equity shares. Consequently, the Company has withdrawn the Draft Red Herring Prospectus dated August 12, 2011 (the “ initial DRHP”) filed with the Securities and Exchange Board of India (the “SEBI”) for the Company’s proposed initial public offering for the fresh issue and an offer for sale by investors. The Company now proposes to make an IPO as offer for sale by investors of equity shares of Rs.10 each at such premium, arrived at by 100% book building process (referred to as the “Issue”), as may be decided by the Board of Directors of the Company.

**18. Share issue expenses to the extent not written off**

Share issue expenses comprises of expenses that were incurred in connection with the Initial Public Offering (IPO) of shares by the Company for which the initial DRHP was filed during the year ended March 31, 2012.

Consequent to the events subsequent to the year-end described in paragraph c and d in Note 17 above, the Company is in process of obtaining legal opinion to ascertain whether these expenses can be adjusted against the securities premium account in accordance with Section 78 of the Companies Act, 1956. Accordingly, these expenses will be adjusted against the securities premium account or charged to the statement of profit and loss, based on the legal opinion.

As per our report of even date

**For and on behalf of the board of directors of Just Dial Limited**

**For S. R. Batliboi & Associates**  
**Firm registration number: 101049W**  
**Chartered Accountants**

**per Govind Ahuja**  
**Partner**  
Membership No. 48966

**V.S.S. Mani**  
Managing Director

**V. Krishnan**  
Director

Place : Mumbai  
Date: August 8, 2012

**Ramkumar Krishnamachari**  
Chief Financial Officer

**Sachin Jain**  
Company Secretary

**Annexure V - Restated Consolidated Statement of Reserves and Surplus**

**Rs. in million**

Particulars	As at				
	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
<b>A. Capital redemption reserve</b>					
Balance as per last financial statements	-	0.87	0.87	0.87	0.87
Less: utilised for bonus shares issued	-	(0.87)	-	-	-
<b>Closing balance</b>	-	-	<b>0.87</b>	<b>0.87</b>	<b>0.87</b>
<b>B. Securities premium account</b>					
Balance as per last financial statements	4.40	381.69	381.69	381.69	180.63
Add: receipt on issue of preference shares	324.18	-	-	-	204.98
Add: receipt on issue of equity shares	-	4.40	-	-	-
Add: additions on ESOPs exercised	0.20	-	-	-	-
Add: transferred from stock options outstanding	0.01	22.67	-	-	-
Less: share issue expenses	(2.15)	-	-	-	(3.92)
Less: utilized for bonus shares issued	-	(404.36)	-	-	-
Less: adjustment related to demerger (Refer Note 14 of Annexure IVC)	(326.64)	-	-	-	-
<b>Closing balance</b>	-	<b>4.40</b>	<b>381.69</b>	<b>381.69</b>	<b>381.69</b>
<b>C. Stock options outstanding account</b>					
Gross employee stock compensation for option granted in earlier years	16.00	22.67	9.55	9.55	9.55
Add : gross compensation for options granted during the year	-	16.00	13.12	-	-
Less: transferred to securities premium on exercise of stock options	(0.01)	(22.67)	-	-	-
Less: deferred employee compensation outstanding	(7.16)	(12.76)	-	(0.86)	(3.41)
<b>Closing balance</b>	<b>8.83</b>	<b>3.24</b>	<b>22.67</b>	<b>8.69</b>	<b>6.14</b>
<b>D. General reserve</b>					
Balance as per last financial statements	-	37.42	37.42	25.30	15.95
Add: transferred from statement of profit and loss	-	-	-	12.12	9.35
Less: utilised for bonus shares issued	-	(37.42)	-	-	-
<b>Closing balance</b>	-	-	<b>37.42</b>	<b>37.42</b>	<b>25.30</b>
<b>E. Foreign currency translation reserve</b>	-	<b>(0.18)</b>	<b>(0.39)</b>	<b>0.11</b>	<b>(1.39)</b>
<b>F. Surplus/(deficit) i.e. the balance in statement of profit and loss as restated</b>					
Balance as per last financial statements as restated	403.10	183.45	(0.89)	(58.17)	(63.32)
Add: restated profit for the year	528.15	286.15	184.34	69.40	17.10
Less: adjustments					
Utilised for bonus shares	-	(66.50)	-	-	-
Adjustment pursuant to demerger (Refer Note 14 of Annexure IVC)	(398.37)	-	-	-	-
Less: Appropriation					
Proposed dividend	-	-	-	-	(2.22)
Corporate dividend tax	-	-	-	-	(0.38)
Transfer to general reserve	-	-	-	(12.12)	(9.35)
<b>Total appropriation</b>	-	-	-	<b>(12.12)</b>	<b>(11.95)</b>

Particulars	As at				
	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
<b>Net surplus/(deficit) in the statement of profit and loss as restated</b>	<b>532.88</b>	<b>403.10</b>	<b>183.45</b>	<b>(0.89)</b>	<b>(58.17)</b>
<b>Total (A + B + C + D + E + F)</b>	<b>541.71</b>	<b>410.56</b>	<b>625.71</b>	<b>427.89</b>	<b>354.44</b>

**Notes:**

- 1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated consolidated summary statements of Assets and Liabilities, Profit and Losses and cash flows as appearing in Annexure IVA, IVB & IVC.
- 3) During the year ended March 31 2011, the Company has issued bonus shares, in the ratio of 55 shares for every one share held, to the existing shareholders by way of capitalization of securities premium and other reserves which has been approved at the extraordinary general meeting held by the Company on April 24, 2010.

**Annexure VI - Restated Consolidated Statement of Current Investments**

**Rs. in million**

Particulars	No. of shares/units					As at				
	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
<b>Current portion of long term investments (unquoted valued at cost)</b>										
<b>Investments in preference shares</b>										
Just Dial Global Private Limited	3,06,495	3,06,495	-	-	-	144.76	144.76	-	-	-
Just Dial Global Private Limited	3,05,263	-	-	-	-	580.00	-	-	-	-
						<b>724.76</b>	<b>144.76</b>	-	-	-
Less : Adjusted pursuant to demerger (Refer Note 14 of Annexure IVC)	-	-	-	-	-	724.76	-	-	-	-
<b>Total investments in preference shares</b>						-	<b>144.76</b>	-	-	-
<b>Current investments</b>										
Current investments in mutual funds (valued at lower of cost and fair value) (other than trade unquoted)										
Pru ICICI Liquid Plan inst liquid daily dividend	-	-	-	-	3,206	-	-	-	-	0.03
DWS Money Plus Fund Institutional Plan-Weekly	-	-	-	-	1,03,69,616	-	-	-	-	104.10
DWS Credit Opportunities Cash Fund Regular Plan Monthly	-	-	-	-	1,01,80,690	-	-	-	-	102.87
ICICI Pru Inst Liq- Daily Dividend	-	-	-	-	3,245	-	-	-	-	0.03
Standard Chartered Fixed Maturity Plan Yearly Series 2 Growth	-	-	-	-	1,50,00,000	-	-	-	-	150.00
Sundaram BNP Paribas Liquid Plus Super	-	-	-	-	927	-	-	-	-	0.01

Particulars	No. of shares/units					As at				
	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Institutional Dividend										
Templeton Fixed Horizon Fund Series VII - Plan C - Institutional units	-	-	-	50,00,000	50,00,000	-	-	-	50.00	50.00
Birla Sun Life Dynamic Bond Fund-Retail Plan-Monthly Dividend	-	-	51,23,409	48,58,795	-	-	-	53.35	50.72	-
Birla Sun Life Dynamic Bond Fund-Retail	-	-	52,92,729	-	-	-	-	55.11	-	-
Birla SunLife FMP-Series1- Annual Dividend Reinvestment	-	-	-	51,22,097	-	-	-	-	51.22	-
Birla Sunlife Short Term Fund- Institutional Daily Dividend	-	-	-	51,54,010	-	-	-	-	51.57	-
Fortis Money Plus Institutional Plan Daily Dividend	-	-	96,40,176	31,84,611	-	-	-	96.42	31.85	-
HDFC CMF- Treasure Advantage Plan Wholesale - Dividend	-	-	-	28,24,544	-	-	-	-	30.04	-
HDFC CMF- Saving Plan Daily Dividend Reinvestment	-	-	89,26,486	20,39,866	-	-	-	89.55	20.46	-
HDFC Short term plan - Dividend Reinvest	-	-	-	48,47,403	-	-	-	-	50.00	-
Reliance Medium Term Fund - Weekly Dividend Plan	-	-	64,29,310	38,91,469	-	-	-	109.94	66.61	-
Reliance Regular Savings Fund-Debt Option	-	-	84,65,614	-	-	-	-	102.53	-	-
Birla Sun Life Saving Fund- Institutional Daily Dividend	-	-	53,62,896	-	-	-	-	53.67	-	-
ICICI Prudential Blended Plan-A	-	-	29,20,163	-	-	-	-	30.00	-	-
IDFC Money Manager Fund- Investment Plan	-	-	60,98,135	-	-	-	-	61.07	-	-
Kotak Equity Arbitrage Fund	-	-	36,65,525	-	-	-	-	38.71	-	-
UTI FMP-	-	-	32,50,000	-	-	-	-	32.50	-	-

Particulars	No. of shares/units					As at				
	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Quarterly Series-Dividend Option										
Birla Sun Life MIP 2 Saving 5- Growth Option	-	16,46,940	16,46,940	-	-	-	27.00	27.00	-	-
HDFC MF Monthly Income Plan- Short Term- Growth	-	18,73,092	18,73,092	-	-	-	30.00	30.00	-	-
Birla Sunlife Cash Manager- IP Daily Dividend	-	61,329	-	-	-	-	28.11	-	-	-
Birla Quarterly Series 4 Dividend payout	49,98,450	56,50,629	-	-	-	50.00	56.52	-	-	-
Birla Sunlife Ultra Short Term Fund-Inst DD	-	30,42,699	-	-	-	-	30.44	-	-	-
BNP Overnight Fund- Institutional Daily Dividend	-	1,00,73,455	-	-	-	-	100.76	-	-	-
HDFC FMP 370D Nov 2010	-	1,10,00,000	-	-	-	-	110.00	-	-	-
ICICI Prudential FMP Series 54- 18 Months Plan A Cumulative	50,00,000	50,00,000	-	-	-	50.00	50.00	-	-	-
IDFC Fixed Maturity Plan 100 Days- Dividend	-	70,00,000	-	-	-	-	70.00	-	-	-
Kotak Credit Opportunities- Growth	-	50,00,469	-	-	-	-	50.00	-	-	-
Principal Cash Management Fund	-	22,66,990	-	-	-	-	22.67	-	-	-
Reliance Fixed Horizon Fund XVIII Series 6 Growth	-	15,00,000	-	-	-	-	15.00	-	-	-
Reliance Fixed Horizon Fund XVIII Series 6 DP	-	95,83,560	-	-	-	-	95.84	-	-	-
Reliance Fixed Horizon XIV Series 11 Growth Opt	-	70,00,000	-	-	-	-	70.00	-	-	-
Reliance Quarterly Interval Fund-Series	-	22,63,058	-	-	-	-	29.88	-	-	-
Templeton India Income Opportunities Fund	-	55,29,918	-	-	-	-	57.50	-	-	-

Particulars	No. of shares/units					As at				
	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
UTI Dynamic Bond-Dividend Reinvestment	-	71,98,051	-	-	-	-	72.27	-	-	-
UTI Short Term Income Fund IP-Daily Dividend	-	48,02,049	-	-	-	-	48.96	-	-	-
Birla Sunlife dynamic bond fund - Retail Plan- Monthly Dividend-Reinvestment	59,88,761	-	-	-	-	106.94	-	-	-	-
SBI Debt fund series -370 days- 14 Dividend	30,00,000	-	-	-	-	30.00	-	-	-	-
Templeton India Low Duration fund - Growth	1,04,09,723	-	-	-	-	114.35	-	-	-	-
Fidelity Annual FMP series VI-Plan C -Growth	50,00,000	-	-	-	-	50.00	-	-	-	-
Reliance Fixed Horizon Fund XVI Series 3	-	50,00,000	-	-	-	-	50.00	-	-	-
Reliance fixed horizon fund XX1 Series 2 Growth plan	45,00,000	-	-	-	-	45.00	-	-	-	-
Reliance fixed horizon XXI series 16 growth plan	32,06,889	-	-	-	-	32.07	-	-	-	-
Sundaram fixed term plan CG 18 months Growth	39,99,838	-	-	-	-	40.00	-	-	-	-
Birla Sunlife Fixed Term Plan Series EW Growth	50,00,000	-	-	-	-	50.00	-	-	-	-
Birla Sunlife Fixed Term Plan Series EY Growth	60,65,272	-	-	-	-	60.65	-	-	-	-
Birla Sunlife Fixed Term Plan-Series EV-Growth	1,00,00,000	-	-	-	-	100.00	-	-	-	-
DWS Fixed Maturity Plan-Series 5	50,00,000	-	-	-	-	50.00	-	-	-	-
HDFC FMP 370D January 2012 (4)	1,00,22,550	-	-	-	-	100.23	-	-	-	-
HDFC Short Term Plan-Growth	29,65,465	-	-	-	-	60.73	-	-	-	-
Kotak Bond (Short Term)-Monthly Dividend	64,84,490	-	-	-	-	65.91	-	-	-	-
Kotak FMP	1,00,00,000	-	-	-	-	100.00	-	-	-	-



Particulars	No. of shares/units					As at				
	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Series 80										
Kotak NFO FMP II	45,00,000	-	-	-	-	45.00	-	-	-	-
Kotak Quarterly Interval Plan-Series 2-Dividend	89,94,693	-	-	-	-	90.00	-	-	-	-
Reliance Fixed Horizon Fund XXI Series 11-Growth	77,09,730	-	-	-	-	77.10	-	-	-	-
Reliance Fixed Horizon Fund XXI-Series 6	50,00,000	-	-	-	-	50.00	-	-	-	-
Reliance Fixed Horizon Fund-XXI-Series 18-Growth	1,00,02,480	-	-	-	-	100.02	-	-	-	-
UTI Fixed Income Fund Series X-VII 368 Days	1,00,00,000	-	-	-	-	100.00	-	-	-	-
<b>Total current investments in mutual funds</b>						<b>1,568.00</b>	<b>1,014.95</b>	<b>779.85</b>	<b>402.47</b>	<b>407.04</b>
<b>Total</b>						<b>1,568.00</b>	<b>1,159.71</b>	<b>779.85</b>	<b>402.47</b>	<b>407.04</b>

**Notes:**

- 1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated consolidated summary statements of Assets and Liabilities, Profit and Losses and cash flows as appearing in Annexure IVA, IVB & IVC.
- 3) These investments are in the name of the Company.

**Annexure VII - Restated Consolidated Statement of Trade Receivables (Unsecured, considered good)****Rs. in million**

Particulars	As at				
	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Outstanding for a period exceeding six months from the date they are due for payment	-	0.10	-	0.04	-
Other trade receivables (less than six months)	-	10.89	0.35	0.65	7.71
	-	<b>10.99</b>	<b>0.35</b>	<b>0.69</b>	<b>7.71</b>

**Notes:**

- 1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated consolidated summary statements of Assets and Liabilities, Profit and Losses and cash flows as appearing in Annexure IVA, IVB & IVC.
- 3) There is no amounts due from Directors/Promoters/Promoter Group / Relatives of Promoters/Relatives of Directors.
- 4) List of persons/ entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

**Annexure VIII - Restated Consolidated Statement of Long-Term Loans and Advances and Other Non-Current Assets**

Rs. in million

Particulars	As at				
	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
<b>A. Long-term loans and advances</b>					
Unsecured, considered good					
Capital advances	69.54	17.69	5.73	3.18	-
Security deposits	77.05	68.11	38.89	28.52	23.28
Security deposits to related parties	1.86	1.86	1.86	-	-
Other loans and advances:					
Advance taxes [net of provision for taxation Rs 489.86 million (2010-11 - Rs. 282.55 million, 2009-10 - Rs.162.63 million)]	46.94	44.77	30.93	-	-
Prepaid expense	8.11	13.44	0.80	0.05	0.07
<b>Total Long-term loans and advances (A)</b>	<b>203.50</b>	<b>145.87</b>	<b>78.21</b>	<b>31.75</b>	<b>23.35</b>
<b>B. Other non-current assets</b>					
Bank deposits with more than 12 months maturity	-	-	0.28	0.26	7.24
<b>Total other non-current assets (B)</b>	<b>-</b>	<b>-</b>	<b>0.28</b>	<b>0.26</b>	<b>7.24</b>

**Amounts due from Directors / Promoters / Promoter Group / Relatives of Promoters / Relatives of Directors**

Rs in million

Particulars	As at				
	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Security Deposit (Rent) - Mr. V. S. S. Mani	0.93	0.93	0.93	-	-
Security Deposit (Rent) - Mrs. Anita Mani	0.93	0.93	0.93	-	-

**Notes:**

- 1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated consolidated summary statements of Assets and Liabilities, Profit and Losses and cash flows as appearing in Annexure IVA, IVB & IVC.
- 3) List of persons/ entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

**Annexure IX - Restated Consolidated Statement of Short-Term Loans and Advances and Other Current Assets**

**Rs. in million**

Particulars	As at				
	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
<b>A. Short-term loans and advances</b>					
Unsecured, considered good					
Loans and advances to related parties	-	10.21	-	-	-
Advances recoverable in cash or kind or for value to be received	9.33	4.23	0.02	2.27	1.80
Security Deposit	5.51	4.30	10.31	5.09	1.13
<b>Other loans and advances</b>					
Service tax input credit	9.82	11.03	3.25	4.43	1.65
Prepaid gratuity	2.42	8.61	2.94	-	0.69
Prepaid expense	31.92	48.07	18.24	28.13	8.81
<b>Total Short-term loans and advances (A)</b>	<b>59.00</b>	<b>86.45</b>	<b>34.76</b>	<b>39.92</b>	<b>14.08</b>
<b>B. Other current assets</b>					
Interest accrued on fixed deposit	0.51	0.45	-	-	-
Amount due from related parties	1.21	3.72	-	-	-
Share issue expenses (to the extent not written off or adjusted) (Refer Note 18 of Annexure IVC)	38.76	-	-	-	-
<b>Total Other current assets (B)</b>	<b>40.48</b>	<b>4.17</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Amounts due from Directors / Promoters / Promoter Group / Relatives of Promoters / Relatives of Directors**

**Rs in million**

Particulars	As at				
	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Loan to Just Dial Global Private Limited	-	10.21	-	-	-
Receivable towards service charges from Just Dial Global Private Limited	1.18	3.72	-	-	-
Royalty receivable from Just Dial Inc- Delaware	0.03	-	-	-	-

**Notes:**

- 1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated consolidated summary statements of Assets and Liabilities, Profit and Losses and cash flows as appearing in Annexure IVA, IVB & IVC.
- 3) List of persons/ entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

## Annexure X - Restated Consolidated Statement of Long-Term Borrowings

Rs in million

Particulars	As at				
	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
<b>Long term-borrowings</b>					
<b>Rupee term loans (secured)</b>					
From bank	-	1.49	3.16	-	0.29
<b>Total Secured loans</b>	<b>-</b>	<b>1.49</b>	<b>3.16</b>	<b>-</b>	<b>0.29</b>
Rate of Interest (on vehicle loans)	7.20%	7.20%	7.20%	7.91%	7.91%

### Notes:

- 1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated consolidated summary statements of Assets and Liabilities, Profit and Losses and cash flows as appearing in Annexure IVA, IVB & IVC.
- 3) Term loan as at March 31, 2011 and March 31, 2010 represents loan for purchase of vehicles taken in F.Y. 2009-10, secured against the hypothecation of Cars and repayable in 36 equated monthly installment (EMI) of Rs 153,612 on 7<sup>th</sup> day of every month till completion of loan. Term loan as at March 31, 2009, and March 31, 2008 represents loan for purchase of vehicles taken during the period between F.Y. 2005-06 to F.Y. 2006-07, secured against the hypothecation of Cars and repayable in 35-36 equated monthly installment (EMI) ranging between Rs 35,913 to Rs 52,780 on 7<sup>th</sup> day to 11<sup>th</sup> day of every month till completion of loan.
- 4) There is no unsecured loans outstanding to Directors / Promoters / Promoter Group / Group Companies / Relatives of Promoters / Relatives of Directors.
- 5) List of persons/ entities classified as 'Promoters' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

**Annexure XI - Restated Consolidated Statement of Other Long-Term Liabilities and Long-Term Provisions**

**Rs in million**

Particulars	As at				
	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
<b>Other long-term liabilities</b>					
Income received in advance	-	-	5.13	12.89	38.89
Others (Provision for lease equalisation)	22.95	15.61	9.66	2.00	2.19
<b>Total other long-term liabilities</b>	<b>22.95</b>	<b>15.61</b>	<b>14.79</b>	<b>14.89</b>	<b>41.08</b>
<b>Long-term provisions</b>					
Provision for tax [net of advance tax Rs. Nil (2010-11 - Rs. Nil, 2009-10 - Rs. Nil, 2008-09 -Rs. 34.67 million, 2007-08 - Rs. 41.70 million)]	-	-	-	13.36	14.95
Provision for gratuity	-	-	-	1.91	-
<b>Total long-term provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15.27</b>	<b>14.95</b>

**Notes:**

- 1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated consolidated summary statements of Assets and Liabilities, Profit and Losses and cash flows as appearing in Annexure IVA, IVB & IVC.

**Annexure XII - Restated Consolidated Statement of Trade Payables, Other Current Liabilities and Short-Term Provisions**

Rs in million

Particulars	As at				
	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
<b>Current liabilities</b>					
<b>A. Trade payables</b>					
Total outstanding dues of trade payables other than micro and small enterprises	43.95	50.21	30.51	20.12	28.60
<b>Total trade payables</b>	<b>43.95</b>	<b>50.21</b>	<b>30.51</b>	<b>20.12</b>	<b>28.60</b>
<b>B. Other current liabilities</b>					
Current maturities of long-term debt (Refer Note 3 of Annexure X)	1.49	1.67	1.55	0.29	0.90
Amount due to related parties	-	0.87	0.89	-	-
Income received in advance	1,099.42	678.45	408.05	370.52	305.40
Other payables					
Salary and reimbursements payable	127.14	88.86	63.94	41.08	35.07
Other statutory dues (employee related liabilities)	37.85	35.83	34.87	26.33	18.32
Other creditors	40.53	48.99	12.82	6.54	7.82
Service tax payable	-	-	3.42	-	3.79
Value added tax payable	-	0.90	-	-	-
Tax deducted at source payable	16.92	17.68	8.55	4.48	5.95
Deposit from franchisees	0.27	0.57	0.27	0.49	1.08
Provision for lease equalisation	1.88	0.72	0.46	1.13	1.31
<b>Total other current liabilities</b>	<b>1,325.50</b>	<b>874.54</b>	<b>534.82</b>	<b>450.86</b>	<b>379.64</b>
<b>C. Short-term provisions</b>					
Provision for employee benefits					
Compensated absences	12.92	20.59	13.16	14.92	8.41
Other provisions					
Proposed dividend (including dividend distribution tax)	-	-	-	-	2.60
<b>Total short-term provisions</b>	<b>12.92</b>	<b>20.59</b>	<b>13.16</b>	<b>14.92</b>	<b>11.01</b>
<b>Total current liabilities (A + B + C)</b>	<b>1,382.37</b>	<b>945.34</b>	<b>578.49</b>	<b>485.90</b>	<b>419.25</b>

**Notes:**

- 1) The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Company.
- 2) The above statement should be read with the notes to restated consolidated summary statements of Assets and Liabilities, Profit and Losses and cash flows as appearing in Annexure IVA, IVB & IVC.

**Annexure XIII - Restated Consolidated Statement of Other Income**

Particulars	For the year ended					Nature:	Rs. in million Related/
	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	Recurring/ non-recurring	Not related to business activity
Interest on bank deposits	1.97	1.30	8.40	7.59	4.95	Recurring	Not related
Interest on loans	2.33	0.96	-	-	-	Non- recurring	Not related
Dividend income on current investment (mutual funds)	43.55	28.61	25.84	29.40	14.38	Recurring	Not related
Profit on sale of current investment (net)	42.29	2.78	3.07	19.73	-	Non- recurring	Not related
<b>Other non-operating income</b>							
Exchange difference (net)	2.03	-	-	-	-	Non- recurring	Not related
Income from cost sharing - Just Dial Global Private Limited	31.06	3.37	-	-	-	Recurring	Not related
Profit on sale of subsidiary (discontinuing operations)	17.51	-	-	-	-	Non- recurring	Not related
Foreign currency translation reserve realised on sale of subsidiary	0.58	-	-	-	-	Non- recurring	Not related
Royalty Income	0.03	-	-	-	-	Non- recurring	Not related
Miscellaneous Income	8.28	0.24	1.25	2.20	0.83	Non- recurring	Not related
<b>Total Other Income</b>	<b>149.63</b>	<b>37.26</b>	<b>38.56</b>	<b>58.92</b>	<b>20.16</b>		

**Notes:**

- 1) The classification of other income as recurring/not-recurring, related/not-related to business activity is based on the current operations and business activity of the Company as determined by the Management.
- 2) The amounts disclosed above are based on the restated consolidated summary statement of profits and losses of the Company.
- 3) The above statement should be read with the notes to restated consolidated summary statements of Assets and Liabilities, Profit and Losses and cash flows as appearing in Annexure IVA, IVB & IVC.



#### Annexure XIV - Restated Consolidated Statement of Contingent Liabilities

Particulars	Rs in million				
	As at				
	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Demand notices Income tax in respect of Assessment years 2003-04, 2006-07, 2007-08, 2008-09 and 2009-10 in respect of which the Company has preferred an appeal. Based on judicial pronouncements, the Company's claim is likely to be accepted by appellate authorities	10.48	11.53	7.97	7.13	2.39
<b>Preference Dividend</b> Cumulative preference dividend on 6% Cumulative optionally convertible preference shares (includes dividend distribution tax as at March 31, 2012 -Rs. 37.10 million, 2010-11 - Rs. 31.23 million, 2009-10 - Rs. 24.96 million, 2008-09 - Rs. 17.29 million, and 2007-08 Rs. 9.70 million) (Refer Note 3 below)	257.03	215.00	171.84	119.03	66.80
	<b>267.51</b>	<b>226.53</b>	<b>179.81</b>	<b>126.16</b>	<b>69.19</b>

#### Notes:

- 1) The above statement should be read with the notes to restated consolidated summary statements of Assets and Liabilities, Profit and Losses and cash flows as appearing in Annexure IVA, IVB & IVC.
- 2) There are certain cases against the Company, since the Company is confident of defending the same and the probability of any liability arising is remote, no contingent liability is recognised as on March 31, 2012, March 31, 2011, March 31, 2010, March 31, 2009, and March 31, 2008.
- 3) Subsequent to year ended March 31, 2012 all the Preference shares have been converted into Equity shares hence the above mentioned amount for preference dividend would no longer be payable (Refer Note 17 (a) of Annexure IVC).

## Annexure XV - Restated Consolidated Statement of Dividend

(Amount in Rs. in million except share and per share data)

Particulars	Face value	For the year ended							
		31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08			
<b>Issued, subscribed and fully paid-up</b>									
<b>Class of shares</b>									
Equity share capital	10	519.08	519.05	8.56	8.56	8.56			
6% non cumulative compulsory convertible preference shares Series C	10	9.68	-	-	-	-			
6% cumulative redeemable preference shares (Optionally Convertible) of Series A	10	1.96	1.96	2.52	2.52	2.52			
0.1% Cumulative Redeemable Preference Shares of Series - B	10	0.00	* 0.00	* 0.00	0.00	0.00	* 0.00	* 0.00	*
		<b>530.72</b>	<b>521.01</b>	<b>11.08</b>	<b>11.08</b>	<b>11.08</b>			
<b>Dividend on equity shares</b>									
Dividend in %								20.00%	
Proposed Dividend	-	-	-	-	-	-		1.71	
Interim Dividend	-	-	-	-	-	-		-	
Dividend Tax (Including surcharge)	-	-	-	-	-	-		0.29	
<b>Dividend paid on preference shares</b>									
Dividend in %	-	-	-	-	-	-		20.10%	
Preference dividend	-	-	-	-	-	-		0.51	
Dividend Tax (Including surcharge)	-	-	-	-	-	-		0.09	
<b>Dividend payable on preference shares</b>									
Preference dividend	-	219.93	183.77	146.88	101.74	57.10			
Dividend Tax (Including surcharge)	-	37.10	31.23	24.96	17.29	9.70			

### Notes:

1) The above statement should be read with Significant Accounting Policies and the Notes to the Restated Consolidated Summary Statements as appearing in Annexure IVA, IVB and IVC respectively.

2) Subsequent to year ended March 31,2012 all the Preference shares have been converted into Equity shares hence the above mentioned amount for preference dividend would no longer be payable (Refer Note 17 (a) of Annexure IVC).

\* Amount less than 0.01 million

**Annexure XVI - Restated Consolidated statement of Accounting Ratios**
**Rs. in million (except per share data in Rs.)**

Particulars		For the year ended				
		31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Basic earnings per share (Rs.)	A/B	9.37	4.72	2.74	0.35	(0.67)
Diluted earnings per share (Rs.)	F/C1 & A/C	8.13	4.57	2.74	0.35	(0.67)
Net Profit after tax (after preference dividend and related tax) as restated attributable to equity shareholders	A	486.14	243.73	131.53	16.59	(32.11)
Weighted average no. of equity shares outstanding during the year (Refer Note 2 and 5 below)	B	5,19,07,807	5,15,91,690	4,79,48,208	4,79,48,208	4,79,48,208
Weighted average no. of equity shares (including ESOP) which should be considered for calculating Diluted EPS (Refer Note 6 below)	C	-	-	4,79,60,764	4,79,54,195	-
Weighted average no. of equity shares which should be considered for diluted EPS (post conversion of preference shares and exercise of ESOP) (Refer Note 6 below)	C1	6,49,80,754	6,27,31,629	-	-	-
Net Worth at the end of the year (excluding preference share capital and cumulative preference dividend)	D	765.00	715.36	463.84	317.43	296.20
Total no. of equity shares outstanding at the end of the year	E	5,19,08,266	5,19,05,466	8,56,218	8,56,218	8,56,218
<b>Return on Net Worth (%) (Refer Note 1(c) below)</b>	A / D *100	<b>63.55%</b>	<b>34.07%</b>	<b>28.36%</b>	<b>5.23%</b>	<b>-10.84%</b>
<b>Net asset value per equity share (Rs.) (Refer Note 1(d) below)</b>	D/E	<b>14.74</b>	<b>13.78</b>	<b>541.74</b>	<b>370.73</b>	<b>345.94</b>
<b>Calculation of return on net worth after giving effect to outstanding financial instruments</b>						
Net Profit after tax as restated	F	528.15	286.15	184.34	69.40	17.10
Net Worth at the end of the year (including preference share capital)	G	1,033.67	931.57	638.21	438.97	365.52
<b>Return on Net Worth (%) (Refer Note 1(e) below)</b>	F / G *100	<b>51.09%</b>	<b>30.72%</b>	<b>28.88%</b>	<b>15.81%</b>	<b>4.68%</b>
<b>Calculation of net asset value after retrospective adjustment of bonus issue and outstanding financial instruments</b>						
Total no. of equity shares which should be considered for	H	6,49,80,754	6,27,31,629	6,21,00,036	6,20,93,467	6,20,94,064

Particulars		For the year ended				
		31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
calculating Net Asset Value per share (Including bonus shares, Convertible preference shares and ESOP)						
<b>Net asset value per equity share (Rs.) (Refer Note 1(f) below)</b>	G/H	<b>15.91</b>	<b>14.85</b>	<b>10.28</b>	<b>7.07</b>	<b>5.89</b>

## Notes

1. The Ratios have been computed as below:

a) Basic Earnings per share (Rs.)	$\frac{\text{Net profit after tax (as restated) attributable to shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$
b) Diluted Earnings per share (Rs.)	$\frac{\text{Net profit after tax (as restated)}}{\text{Weighted average number of diluted equity shares outstanding during the year}}$
c) Return on net worth (%)	$\frac{\text{Net Profit after tax (after preference dividend and related tax) as restated}}{\text{Net worth at the end of the year excluding preference share capital and cumulative preference dividend}}$
d) Net asset value per share (Rs.)	$\frac{\text{Net worth at the end of the year excluding preference share capital}}{\text{Total number of equity shares outstanding at the end of the year}}$
e) Return on net worth (%) (Considering outstanding Financial instruments)	$\frac{\text{Net Profit after tax as restated}}{\text{Net worth at the end of the year including preference share capital}}$
f) Net asset value per share (Rs.) after retrospective adjustment of bonus issue and outstanding financial instruments	$\frac{\text{Net worth at the end of the year including preference share capital}}{\text{Total number of equity shares outstanding at the end of the year + Potential equity shares on exercise of stock options as per guidance note on ESOP + Potential equity shares from convertible preference shares}}$

2) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

3) Net worth for ratios mentioned in note 1(c) and 1(d) is = Equity share capital + Reserves and surplus ( including Capital Redemption Reserve, Securities Premium, General Reserve, Stock options outstanding and surplus in statement of Profit and Loss) + Non controlling interest - Share issue expenses (to the extent not written off or adjusted)

4) Net worth for ratios mentioned in note 1(e) and 1(f) is = Equity share capital + Reserves and surplus ( including Capital Redemption Reserve, Securities Premium, General Reserve, Stock options outstanding and surplus in statement of Profit and Loss) + Non controlling interest + Preference share capital - Share issue expenses (to the extent not written off or adjusted)

5) During the year ended March 31, 2011, the Company issued bonus shares, in the ratio of 55 shares for every one share held, to the existing shareholders by way of capitalization of securities premium and other reserves which has been approved at the extraordinary general meeting held by the Company on April 24, 2010.

6) Earnings per share calculations are in accordance with Accounting Standard 20 - Earnings per share, notified under the Companies (Accounting Standards) Rules 2006, as amended. As per AS20, in case of bonus shares, the number of shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event has occurred at the beginning of the earliest period reported. Weighted average number of equity shares outstanding during all the previous years have been considered accordingly.

7) The Company had 195,565 (2010-11: 195,565, 2009-10: 252,486, 2008-09: 252,486, and 2007-08: 252,486) 6% cumulative convertible preference shares, 1 (2010-11: 1, 2009-10: 1, 2008-09: 1, and 2007-08: 1) 0.1% non-cumulative convertible preference shares and 968,060 (2010-11: Nil, 2009-10: Nil, 2008-09: Nil, and 2007-08: Nil) outstanding as at March 31, 2012. However, this has not been considered for diluted EPS for the years 2009-10, 2008-09, and 2007-08 as they are anti-dilutive in nature. ESOP issued to employees has not been considered for the year 2007-08 since they are anti-dilutive in nature.

8) During the year ended March 31, 2012, the Company's IT testing business has been demerged and assets of IT testing business and investments made by the Company in Just Dial Global Private Limited was adjusted against balance in securities premium account and profit and loss account balance as per the scheme of arrangement described in note 14 of Annexure IVC. Accordingly, the reserves and surplus and correspondingly the net worth as at March 31, 2012 has been reduced.

9) The figures disclosed above are based on the Consolidated Restated Summary Statements of the Company.

10) The above statement should be read with the notes to restated consolidated summary statements of Assets and Liabilities, Profit and Losses and cash flows as appearing in Annexure IVA, IVB and IVC

11) Pursuant to the issuance of bonus shares in the year ended March 31, 2011 the net asset value per share has been reduced.

12) Subsequent to the year end, the Company has issued equity shares pursuant to the following (for details, refer Note 17 of Annexure IVC):

- a) conversion of preference shares outstanding as of March 31, 2012
- b) exercise of options by employees
- c) preferential allotment of shares to the affiliates of existing investor, Sequoia Capital India Investment III.

The above ratios do not include the impact of these events subsequent to the balance sheet date, including the impact due to preference dividend no longer be payable.

## Annexure XVII -Capitalisation Statement

Rs in million		
Particulars	Pre IPO as at March 31, 2012	As adjusted for IPO (Refer note 2 below)
<b>Debt</b>		
Short term debt (A)	1.49	
Long term debt (B)	-	
<b>Total debt (A+B)</b>	<b>1.49</b>	
<b>Shareholders' funds</b>		
Share Capital	530.72	
Reserves and Surplus, as restated		
Securities premium account	-	
Stock option outstanding account	8.83	
Surplus in the statement of profit and loss	532.88	
Share issue expenses (to the extent not written off or adjusted) (Refer Note 18 of Annexure IVC)	(38.76)	
<b>Total funds attributable to equity shareholders (C)</b>	<b>1,033.67</b>	
<b>Long term debt / equity (B/C)</b>	<b>0.00:1</b>	

### Notes

1) The above has been computed on the basis of the Restated Consolidated Summary Statements of the Company.

2) The corresponding post IPO capitalization data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building process and hence the same have not been provided in the above statement

3) Long term debt represents debt which is due after 12 months from March 31, 2012.

4) During the year ended March 31, 2012, the Company's IT testing business, other related services and specific assets have been demerged in Just Dial Global Private Limited and the aggregate value of assets was adjusted against balance in securities premium account and surplus i.e. the balance in statement of profit and loss as per the scheme of arrangement described in note 14 of Annexure IVC.

5) Subsequent to the year end, the Company has issued equity shares pursuant to the following (for details, refer Note 17 of Annexure I)

a) conversion of preference shares outstanding as of March 31, 2012

b) exercise of options by employees

c) preferential allotment of shares to the affiliates of existing investor, Sequoia Capital India Investment III.

The above ratio do not include the impact of these events subsequent to the balance sheet date.

**Annexure XVIII - Restated Consolidated Statement of Related Party Transactions**

**List of related parties and transactions as per requirements of Accounting Standard - 18, 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India**

Particulars	For the year ended				
	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Key Management Personnel	Mr. V.S.S. Mani	Mr. V.S.S. Mani	Mr. V.S.S. Mani	Mr. V.S.S. Mani	Mr. V.S.S. Mani
	Mr. V. Krishnan	Mr. V. Krishnan	Mr. V. Krishnan	Mr. V. Krishnan	Mr. V. Krishnan
	Mr. Ramani Iyer (Up to May 31, 2011)	Mr. Ramani Iyer	Mr. Ramani Iyer	Mr. Ramani Iyer	Mr. Ramani Iyer
Relatives of Key Management personnel	Mrs.Anita Mani	Mrs.Anita Mani	Mrs.Anita Mani	Mrs.Anita Mani	Mrs.Anita Mani
Enterprises owned or significantly influenced by Key Management Personnel or their relatives	Just Dial Global Private Ltd Just Dial Inc (Delaware) (From July 22, 2011)	Just Dial Global Private Limited	None	None	None

Annexure XVIII - Restated Consolidated Statement of Related Party Transactions (contd.)

Details of Transactions with Related Parties

							Rs. in million
S. No	Particulars	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	
	<b>Transactions during the year</b>						
1	Key Management Personnel						
	Remuneration						
	Mr V.S.S. Mani	9.59	2.40	2.40	2.40	2.31	
	Mr Ramani Iyer	1.71	9.23	6.38	3.73	3.76	
	Mr V. Krishnan	9.72	9.23	6.38	3.73	3.76	
		<b>21.02</b>	<b>20.86</b>	<b>15.16</b>	<b>9.86</b>	<b>9.83</b>	
	Lease rental paid						
	Mr V.S.S. Mani	2.43	2.29	2.17	1.25	1.22	
		<b>2.43</b>	<b>2.29</b>	<b>2.17</b>	<b>1.25</b>	<b>1.22</b>	
	Security deposit given						
	Mr V.S.S. Mani	-	-	0.93	-	-	
		-	-	<b>0.93</b>	-	-	
	Preference shares issued						
	Mr V.S.S. Mani	-	-	-	-	0.00	*
		-	-	-	-	<b>0.00</b>	*
	Advance from Director						
	Mr V.S.S. Mani	-	-	0.89	-	-	
		-	-	<b>0.89</b>	-	-	
2	Relatives of Key management Personnel						
	Lease rental paid						
	Mrs Anita Mani	2.43	2.29	2.17	1.25	1.22	
		<b>2.43</b>	<b>2.29</b>	<b>2.17</b>	<b>1.25</b>	<b>1.22</b>	
	Security deposit given						
	Mrs Anita Mani	-	-	0.93	-	-	
		-	-	<b>0.93</b>	-	-	
3	Enterprises owned or significantly influenced by Key Management Personnel or their relatives						
	Investment in Preference Shares during the year						
	i) Just Dial Global Private Limited	580.00	144.76	-	-	-	
		<b>580.00</b>	<b>144.76</b>	-	-	-	
	Transfer of IT testing business and investments in Just Dial Global Private Limited	725.01	-	-	-	-	
		<b>725.01</b>	-	-	-	-	
	Loan given during the year						
	i) Just Dial Global Private Limited	45.00	29.08	-	-	-	
		<b>45.00</b>	<b>29.08</b>	-	-	-	
	Loan received back during the year						
	i) Just Dial Global Private Limited	55.40	19.54	-	-	-	
	ii) Just Dial Inc. - Delaware	100.81	-	-	-	-	
		<b>156.21</b>	<b>19.54</b>	-	-	-	
	Sale of Asset during the year						
	i) Just Dial Global Private Limited	-	16.65	-	-	-	
		-	<b>16.65</b>	-	-	-	
	Service charges (other income) during the year						
	i) Just Dial Global Private Limited	31.06	3.37	-	-	-	



S. No	Particulars	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
		<b>31.06</b>	<b>3.37</b>	-	-	-
	Interest income during the year					
	i) Just Dial Global Private Limited	0.19	0.21	-	-	-
		<b>0.19</b>	<b>0.21</b>	-	-	-
	Royalty income during the year					
	i) Just Dial Inc. - Delaware	0.03	-	-	-	-
		<b>0.03</b>	-	-	-	-
	Sale of Investment in Just Dial Inc. - Delaware					
	i) Just Dial Global Private Limited	22.03	-	-	-	-
		<b>22.03</b>	-	-	-	-
	<b>Balance Outstanding at the year end</b>					
1	Key Management Personnel					
	Remuneration Payable					
	Mr V.S.S. Mani	1.03	0.13	0.14	2.31	0.13
	Mr Ramani Iyer	-	1.59	1.32	2.28	0.13
	Mr V. Krishnan	1.24	1.57	1.30	2.28	0.43
		<b>2.27</b>	<b>3.29</b>	<b>2.76</b>	<b>6.87</b>	<b>0.69</b>
	Security Deposit					
	Mr V.S.S. Mani	0.93	0.93	0.93	-	-
		<b>0.93</b>	<b>0.93</b>	<b>0.93</b>	-	-
	Advance from Director					
	Mr V.S.S. Mani	-	0.87	0.89	-	-
		-	<b>0.87</b>	<b>0.89</b>	-	-
2	Relatives of Key management Personnel					
	Security Deposit					
	Mrs Anita Mani	0.93	0.93	0.93	-	-
		<b>0.93</b>	<b>0.93</b>	<b>0.93</b>	-	-
3	Enterprises owned or significantly influenced by Key Management Personnel or their relatives					
	i) Loan to Just Dial Global Private Limited	-	10.21	-	-	-
	ii) Investment in preference shares of Just Dial Global Private Limited	-	144.76	-	-	-
	iii) Royalties receivable from Just Dial Inc	0.03	-	-	-	-
	iv) Receivable from Just Dial Global Private Limited towards service charges	1.18	3.72	-	-	-
		<b>1.21</b>	<b>158.69</b>	-	-	-
	* Amount less than Rs.0.01 million.					

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion and analysis of our financial condition and results of operations in conjunction with the sections entitled "Summary Financial Information," and "Financial Statements" on pages 57 and 187, respectively. This discussion contains forward-looking statements and involves numerous risks and uncertainties, including, but not limited to, those described in the section entitled "Risk Factors" on page 15. Actual results could differ materially from those contained in any forward-looking statements and for further details regarding forward-looking statements, kindly refer to the section entitled "Forward-Looking Statements" on page 14. Unless otherwise stated, the financial information of our Company used in this section has been derived from the Restated Summary Statements*

### Overview

We believe that we are one of the leading local search engines in India. We provide users of our "Just Dial" search service with information and user reviews from our proprietary database of local businesses, products and services across India. Our search service is available to users through multiple platforms, such as the Internet, mobile Internet, over the telephone (voice) and text (SMS). In fiscal 2012, we addressed over 254.3 million search requests from millions of users across platforms. As of December 31, 2012, we were conducting approximately 195,100 campaigns for our paid advertisers.

We believe our search service bridges the gap between our users and businesses by helping users find relevant providers of products and services quickly while helping businesses listed in our database to market their offerings. We also believe that our search service is particularly relevant to SMEs, which we believe do not have many other cost effective options to access and advertise to such a large number of potential consumers.

Listing on our search service provides businesses with exposure to users at a time when the users are making a purchase decision. Businesses may choose to pay for a listing to be featured on a priority basis in our search results, which we call a 'campaign'. We call businesses that pay for this service 'paid advertisers'. Many of our paid advertisers conduct multiple campaigns at any given time. Paid advertisers have the flexibility to choose different levels of priority in the search results for different geographic areas and products and services. The number of campaigns increased from approximately 40,500 as of March 31, 2009 to approximately 195,100 as of December 31, 2012.

We have a large database of approximately 9.1 million listings as of March 31, 2013. We believe that by providing fast and free access to our database, we provide a compelling user experience that will create a network effect and attract a large number of users who search for information using Just Dial. These large number of users will, in turn, prompt more businesses to pay for listings and become paid advertisers in order to be featured in our search results on a priority basis.

Our consolidated total revenue from continuing operations increased from ₹ 716.0 million in fiscal 2008 to ₹ 2,770.2 million in fiscal 2012, representing a CAGR of 40.2%. Our consolidated total revenue from continuing operations increased in fiscal 2012 by 47.6% over fiscal 2011. Our consolidated restated profits after tax from continuing operations increased from ₹ 17.1 million in fiscal 2008 to ₹ 522.8 million in fiscal 2012, representing a CAGR of 135.1%. Our consolidated restated profits after tax from continuing operations increased in fiscal 2012 by 81.4% over fiscal 2011. We discontinued our print business in fiscal 2011. In the nine months period ended December 31, 2012, our unconsolidated total revenue was ₹ 2,716.1 million and our unconsolidated restated profits after tax from continuing operations was ₹ 470.8 million. We had no revenue from discontinued operations in the nine months period ended December 31, 2012.

### Divestment of JD USA

The initial focus of our international expansion was in the U.S. and Canada markets, which we conducted through JD USA, which used to be our U.S. subsidiary prior to July 22, 2011, and JD Global, which ceased to be our subsidiary in fiscal 2011. JD USA is engaged in the business of providing infrastructure support services to the customers of JD Global in the U.S., which includes arranging leases and telephone lines and providing

communication related and database procurement services. In 2010, JD USA launched the toll-free 1-800-Justdial and 1-800-5000-000 operator-assisted call service under the “Just Dial” brand name in the U.S., and subsequently expanded to providing Internet search services at <http://www.us.justdial.com>.

With effect from July 22, 2011, we sold our entire shareholding in JD USA to JD Global and JD USA ceased to be our subsidiary from that date. The profits of JD USA for the period April 1, 2011 to July 21, 2011 have been included as discontinued operations for fiscal 2012 in “Annexure II – Restated Consolidated Summary of Statement of Profits and Losses.” Our discontinued operations for fiscal 2011 pertained to our print business. The assets and liabilities of JD USA have not been consolidated with our financial statements as of March 31, 2012. Accordingly, our consolidated financial statements for fiscal 2012 may not be fully comparable to our financial statements for fiscal 2011. As we no longer have any subsidiaries, our financial statements for the nine months period ended December 31, 2012 included in this Red Herring Prospectus have not been consolidated and may not be fully comparable to our consolidated financial statements for fiscal 2012 or prior fiscal years.

For further details, see the section “Our Business – Divestment of JD USA and International Expansion” on page 149.

We receive an annual license fee equal to 1% of JD USA’s net revenues pursuant to a trademark license agreement between us and JD USA. The license agreement also provides that we will continue to own all rights in the “Just Dial” brand name which includes all rights, title and interest in relation to certain trademark applications and registrations and the common law rights in the trademark “Just Dial”. For further details, see the section “History and Certain Corporate Matters – Sale/Share Transfer Agreement between our Company, JD Global and JD USA and - Trademark license agreement dated August 10, 2011 between JD USA and our Company” on page 162.

### **Demerger of IT Testing Operations**

In fiscal 2012, we demerged our IT testing operations and other related services to JD Global through a scheme of arrangement which was approved by the High Court of Bombay. The assets of the IT testing business, with a book value of ₹ 0.3 million, were transferred to JD Global in the demerger and our aggregate investment of ₹ 724.8 million in the preference shares of JD Global were cancelled. As a result, ₹ 326.6 million was adjusted against our securities premium account and ₹ 398.4 million was adjusted against our profit and loss account. These adjustments resulted in a decrease of ₹ 725.0 million to our net worth for fiscal 2012. In consideration for the transfer of assets in the demerger, our equity and preference shareholders as of August 1, 2011 received equity shares in JD Global in proportion to their shareholding in our Company.

For further details, please see notes 13(a) and 13(b) to the restated consolidated summary statements on page 293 and the section “History and Certain Corporate Matters— Scheme of Arrangement between our Company, Just Dial Global Private Limited and their respective shareholders and creditors” on page 157.

See the section “Risk Factors – We demerged our IT testing operations to JD Global, which has resulted in a reduction of our capital and profit and loss account and net worth” on page 23.

### **Certain Observations noted by Auditors**

In connection with the audits of our unconsolidated financial statements, our Auditor noted certain qualifications with respect to matters specified in the Companies (Auditors Report) Order, 2003, as amended, in the annexures to their audit reports for fiscal 2010, 2011 and 2012. Based on these qualifications, there are the following deficiencies in certain aspects of our internal controls over financial reporting:

Fiscal 2010:

- a. proper records showing full particulars, including quantitative details and situation of fixed assets were not maintained in the case of certain furniture and fixtures, computers and plant and machinery, where the records were maintained for groups of similar assets and not for each individual asset;
- b. for the assets physically verified by our management during the year, we were still in the process of reconciling the assets physically verified with the books of accounts;

- c. the scope and coverage of our internal audit system was required to be enlarged to be commensurate with the size and nature of our business;
- d. there was a slight delay in a few cases in the deposit of undisputed statutory dues; and
- e. no payments were made to the ESIC.

Fiscal 2011:

- a. material discrepancies were identified on verification of fixed assets;
- b. there were serious delays in a large number of deposits to the ESIC; and
- c. undisputed dues in respect of the ESIC were outstanding, at the end of fiscal 2011, for a period of more than six months from the date they became payable.

The deficiencies identified under (a) and (c) in fiscal 2010 were remedied in fiscal 2011. The physical verification of assets described under (b) in fiscal 2010 was completed in fiscal 2011 and material discrepancies were identified as described under (a) in fiscal 2011. These discrepancies were as a result of our failure to account for the disposal of computers when we vacated some offices. An aggregate amount of ₹ 11.9 million was written off in fiscal 2011 to address such discrepancies. Although the deficiency was addressed in our accounts and did not require any corrective material adjustments in our financial statements, the reports were nonetheless qualified in accordance with the requirements of the Companies (Auditors Report) Order, 2003.

The deficiency identified under (d) in fiscal 2010 was partially remedied. The delays in deposits to the ESIC were significantly reduced in fiscal 2012 from fiscal 2011. In fiscal 2012, there were some delays in the deposit of ESIC but those were not serious. As undisputed dues to the ESIC were outstanding at the end of fiscal 2013 for a period of more than six months from the date they became payable, we expect that this qualification may be repeated in the annexure to the audit report for our unconsolidated financial statements for fiscal 2013 with respect to matters specified in the Companies (Auditors Report) Order, 2003, as amended.

Regarding the outstanding dues to the ESIC as described under (e) above in 2010, (c) above in 2011 and (b) above in 2012, please see ESIC below.

### ESIC

In March 2011, the ESIC authorities issued an order which assessed a liability of ₹ 6.5 million against us for the period from April 2005 to September 2010. The order also preserves the ESIC authorities' right to inspect our records to determine our contribution under Employees State Insurance Act ("ESI Act").

In fiscal 2011, we deposited ₹ 4.5 million with ESIC under protest and are contesting the remaining ₹ 2.0 million assessed against us. We have also appealed against the ESIC assessment order before the Employees' State Insurance Court, Mumbai claiming that the provisions of the ESI Act are not applicable to us. A provision of ₹ 30.3 million has been retained in our financial statements as at each of December 31, 2012, March 31, 2012 and March 31, 2011 for any liability that may arise under the ESI Act for the five years ended March 31, 2010.

See the sections "Risk Factors - Based on certain qualifications noted by our Auditor in the annexures to their audit reports, there are certain deficiencies in certain aspects of our internal controls over financial reporting, and our business may be adversely affected if we do not adequately address those deficiencies or if we have other deficiencies in our internal controls over financial reporting" and "Risk Factors - We may have liability under the ESI Act" on pages 25 and 26, respectively.

### **Factors Affecting Our Results of Operations**

Our business and results of operations have been affected by a number of important factors that we believe will continue to affect our business and results of operations in the future. These factors include the following:

- *Our user base and network effect.* Our local search services will only be attractive to businesses and paid

advertisers as an efficient marketing channel if a sizeable user base utilizes our services to search for information, while our services will only be attractive to users if we have a comprehensive and up-to-date database of business information and listings. If our user base expands, we should be able to attract more business listings and paid advertisers to enhance the value of our services to users. The network effect of our enhanced user experience and hence growing user base should in turn increase the number of listings and paid advertisers to improve the quality and relevance of the information we provide to users. We believe this will create a self-perpetuating growth cycle that enables us maintain a leading position in the local search market.

- *Our paid advertisers.* We believe that almost all our paid advertisers are SMEs. As such, our revenue growth depends on our ability to attract business listings and translate them into paid advertisers, while retaining and renewing our existing paid advertisers and upgrading their campaigns, which mainly gain exposure to potential consumers through user searches on our platform. We have to innovate and create more category-based products and services to feature our paid advertisers more prominently and improve the rate of chances of conversion of searches into actual sales for them. Higher search volume in a category increases the price of the membership of that category. Our revenue growth is also driven by our ability to sell premium (and more expensive) advertisement packages to our paid advertisers.

We measure our business by the number of campaigns in existence at any given time. A campaign can be a yearly contract or a long-term automatically renewable one. One customer can have multiple campaigns. A customer may choose a primary position for a set of category/ categories in one geography and may opt for a lesser position in another geography. Overall, the growth in revenue has a direct relationship to the increasing use of our services (as evidenced by an increase in call and Internet traffic) and then associated monetization in the form of new customers and increase in revenues from existing customers.

- *Branding.* We believe that “Just Dial” has developed into a strong and well established brand in the Indian local search services market due to our commitment to providing user-friendly (with easy to recall phone numbers), free, fast and reliable search experience. As such, brand awareness is crucial to us as a way of distinguishing our services from those of our competitors. We believe our brand helps us to attract new users and potential paid advertisers and we intend to leverage the brand to offer new products and services. We spend money and resources on advertising and promoting our brand, and our success in brand-building efforts will affect our business and results of operations. We believe that the quality of user experience has been one of the primary factors for the growth in our user base, and has been fuelled largely by word of mouth by our users based on their experience with our service and such users sharing their experiences with others.
- *Employee benefits expenses.* Our business operations are labour intensive and employee benefits expenses comprise our largest expense. The specialized skills we require can be difficult and time-consuming to acquire, train and develop and, as a result, these skills are often in short supply. We had 7,844 employees as of December 31, 2012 and our employee benefits expenses from continuing operations were ₹ 668.8 million, ₹ 947.2 million, ₹ 1,308.4 million and ₹ 1,290.3 million for fiscal 2010, fiscal 2011, fiscal 2012 and for the nine months period ended December 31, 2012, respectively, which was 49.6%, 50.5%, 47.2% and 47.5% of our total revenue from continuing operations in those years/ period, respectively. We have implemented programs and incentives such as the reseller program and commission based incentives to increase our business productivity while managing our costs. Our success in retaining and hiring employees to suit our business needs, implementation of other productivity measures in relation to employees and managing the inflation in employees’ wages affects our results of operations. Please see the section “Business — Sales, Marketing and Business Development” and “Business — Employees” on pages 146 and 150, respectively, for further details. We expect our employee benefit expenses to increase in the future as we hire additional employees and increase our expenditure on staff welfare and other benefits.
- *Macroeconomic factors.* As on December 31, 2012, we estimate that approximately 35% of our paid listings are from Mumbai and Delhi markets, and approximately 47% from our other nine large cities (being the major metropolitan cities in India), our business operations are particularly susceptible to the economies in these markets. During the nine months period ended December 31, 2012, 61% of the total number of search requests we received were conducted through our Internet and mobile Internet based

platforms, while 39% of the total number of searches were conducted through our voice service. As such, any change in the extent of Internet or mobile penetration in India would have a substantial impact on our results.

- *SME focus.* Our target paid advertisers are principally comprised of SMEs in India from a wide range of industry sectors in various locations. SMEs generally have fewer financial resources and highly susceptible to the broader economic trends and therefore have higher financial failure rates than large businesses. As a result, we witness a high attrition rate of SMEs every year. Accordingly, our ability to attract new SMEs to offset the attrition and grow our business affects our results of operations. Any economic conditions that adversely impact the SMEs may have a material adverse effect on our business, financial condition and results of operations.

### **Our Critical Accounting Policies**

Certain of our accounting policies require the application of judgment by our management in selecting appropriate assumptions for calculating financial estimates, which inherently contain some degree of uncertainty. Our management bases its estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the reported carrying values of assets and liabilities and the reported amounts of revenues and expenses that may not be readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We believe the following are the critical accounting policies and related judgments and estimates used in the preparation of our financial statements. For more information on each of these policies, see the restated summary statements included in this Red Herring Prospectus.

#### ***Revenue recognition***

Revenue is recognized to the extent that it is probable that the economic benefits will flow to us and the revenue can be reliably measured.

*Income from Services.* Revenues from tenure based contracts are recognized pro-rata over the contract period. Revenues from lead based contracts are recognized as per the provision of leads to the customer. Revenues from sale of review and rating certification services are recognized at the time of issuance of the document to the customer. Revenue from resellers constitutes a one-time registration fee and an annual fee. The one-time registration fee is recognized when the contract with reseller is entered into and the annual fee is prorated over the period of the contract.

During fiscal 2010, we corrected, with retrospective effect for previous years, the application of our revenue recognition policy. Prior to the correction, we recognized revenue based on collection under our contracts. Under the corrected application, revenue is prorated over the period of the contract for tenure based contracts, prorated on the leads consumed for lead base contracts and on availability of yellow pages directory to the public for accessing information for print based contracts. The impact due to the change in the application of our revenue recognition policy has been accounted retrospectively and its effect has been recognized by transferring the appropriate revenues to deferred revenue under current liabilities in each of the restated summary statements for fiscals 2008 and 2009.

#### ***Intangible Assets***

*Goodwill.* Goodwill is amortized on a straight line basis over a period of five years. Carrying value of goodwill is reviewed for impairment annually and otherwise when events or changes in circumstances indicate that the goodwill may be impaired.

*Software.* Application software we acquire which provides us with long-term benefits are capitalized at cost and are amortized equally over a period of 5 years which is the estimated useful life.

*Website Development Costs.* Website development costs are amortized on a straight line basis over a period of five years being the estimated useful life.

*Unique Telephone Numbers.* Unique telephone numbers are amortized on a straight line basis over a period of five years being the estimated useful life.

*Application Development Costs.* Application development cost capitalized are amortized on a straight line basis over the period of 3 years being the estimated useful life of the asset.

### ***Investments***

Investments that are readily realizable and intended to be held for not more than a year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties, as applicable.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Non-current investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary, in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

### ***Employee Stock Compensation Cost***

In accordance with the Guidance Note on Accounting for Employee Share-based payments, the cost of equity-settled transactions is measured using the intrinsic value method and recognized, together with a corresponding increase in the "Stock options outstanding account" in reserves. The cumulative expense recognized for equity settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

### ***Income Taxes***

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where we have unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date we re-assess unrecognized deferred tax assets. We recognize unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. We write-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred tax relate to the same taxable entity and

the same taxation authority.

### ***Tangible fixed assets***

Fixed assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

### ***Depreciation on tangible fixed asset***

Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under schedule XIV of the Companies Act, 1956 whichever is higher as follows:

<b>Particulars</b>	<b>Estimated useful life</b>	<b>Depreciation rates (SLM) (%)</b>
Buildings	20 Years	5.00
Plant and Machinery	6 Years	16.67
Computers	5 Years	20.00
Furniture and Fittings	7 Years	14.29
Motor Car	5 Years	20.00
Headsets	3 Years	33.33
Office Equipment	7 Years	14.29

Depreciation on assets purchased/sold during the year is proportionately charged. Individual assets costing less than Rs. 5,000 are depreciated in full in the year of purchase. The lease hold improvements are written off over the period of lease, ranging from 1 to 9 years, or useful life whichever is lower.

## **Our Income**

### ***Revenue from Operations***

Substantially all of our revenue from operations is derived from businesses who pay a fee to be featured in our search results on a priority basis and other search-specific advertisements, such as banner advertisements and ratings certificates.

We also generate revenue from operations through the provision of ancillary products and services primarily consisting of fees to join our reseller program.

### ***Other Income***

The key components of our other income are interest income from bank deposits, loans and other fixed deposits, dividends from our investments in debt funds and any profits from the sale of our investments from time to time.

## **Our Expenses**

Our expenses primarily consists of the following:

- *Employee benefits expenses*, which reflect salaries, incentives and bonus, directors' remuneration, employee conveyance, staff welfare costs and other payments and amounts reserved to fulfil our statutory



obligations to our employees. Employee benefits expenses also include costs for training of employees and medical and medi-claim expenses;

- *Other expenses*, which consist primarily of rent, electricity charges, lease line charges and rentals, short messaging charges, Internet charges, telecommunication expenses and publication or distribution expenses and which also includes administrative expenses, which consist primarily of advertisement and publicity expenses, professional fees and legal expenses, repair and maintenance expenses, bank charges, credit card expenses and other office expenses;
- *Finance cost*, which reflect interest on certain vehicle loans availed by us for use in our business; and
- *Depreciation and amortization*, which consists of depreciation and amortization on assets which we own.

The following table sets forth each of our consolidated revenue and consolidated expenses for fiscal 2010, fiscal 2011 and fiscal 2012 and our unconsolidated revenue and unconsolidated expenses for the nine months period ended December 31, 2012 expressed as a percentage of total revenue and total expenditure, respectively, for each of the periods indicated and represents the results from continuing and discontinued operations. The discontinued operations for fiscal 2012 were comprised of the activities and operations of our IT testing and other related services to JD Global which have been demerged and the operations of our subsidiary, JD USA which has subsequently been sold; the discontinued operations for fiscal 2011 were comprised of our print business. We had no revenue from discontinued operations in the nine months period ended December 31, 2012.

**For continuing operations:**

	Fiscal 2010 consolidated		Fiscal 2011 consolidated		Fiscal 2012 consolidated		Nine months period ended December 31, 2012 unconsolidated	
	(in ₹ million)	(%)	(in ₹ million)	(%)	(in ₹ million)	(%)	(in ₹ million)	(%)
<b>INCOME</b>								
Revenue from operations								
Sale of search related services	1,160.6	86.1	1,796.0	95.7	2,594.0	93.6	2,643.6	97.3
Yellow pages publication services	148.5	11.0	-	-	-	-	-	-
Other operating revenue (revenue from reseller)	-	-	43.3	2.3	26.6	1.0	1.3	0.1
Other income	38.6	2.9	37.3	2.0	149.6	5.4	71.2	2.6
<b>Total revenue</b>	<b>1,347.6</b>	<b>100.0</b>	<b>1,876.6</b>	<b>100.0</b>	<b>2,770.2</b>	<b>100.0</b>	<b>2,716.1</b>	<b>100.0</b>
<b>EXPENSES</b>								
Employee benefits expenses	668.8	62.8	947.2	65.2	1,308.4	64.2	1,290.3	64.1
Depreciation and amortization	52.5	4.9	67.9	4.7	90.2	4.4	102.0	5.1
Finance cost	0.0	0.0	0.3	0.0	0.2	0.0	0.0	0.0
Other expenses	343.2	32.2	438.3	30.2	639.5	31.4	619.5	30.8
<b>Total expenses</b>	<b>1,064.5</b>	<b>100.0</b>	<b>1,453.7</b>	<b>100.0</b>	<b>2,038.2</b>	<b>100.0</b>	<b>2,011.8</b>	<b>100.0</b>

**For discontinued operations:**

	Fiscal 2012 (in ₹ million)
<b>INCOME</b>	
<b>Total revenue</b>	<b>57.0</b>

	Fiscal 2012 (in ₹ million)
<b>EXPENSES</b>	
<b>Total expenditure</b>	<b>52.8</b>

### Our Tax Expenses

The elements of our tax expenses are as follows:

- *Current tax.* Our current tax primarily consists of income tax on profits and other income.
- *Deferred tax charge / (credit).* We recorded a deferred tax charge in fiscals 2012, 2011 and 2010 due to the correction in the application of our accounting policy for revenue recognition in fiscal 2010. See “Critical Accounting Policies - Revenue Recognition”. A deferred tax asset (net) represents a future tax credit to be applied when expenses and losses previously recognized in our profit and loss account become deductible in subsequent years under Indian income tax law. The realization of a deferred tax asset is dependent on the future taxable income against which these deductions can be applied. As per Indian GAAP, we can record a deferred tax asset (net) when it is virtually certain that all or a portion of the deferred tax asset (net) will be realized.
- *Fringe benefit tax.* Prior to fiscal 2010, we were required to pay a fringe benefit tax to the Government based on the value of fringe benefits and perquisites provided by us to our employees. For fiscal 2009, our fringe benefit tax was calculated at rate of 34% based on a fringe benefit value as calculated under the Income Tax Act. Commencing in fiscal 2010, this tax was abolished and, as a result, we paid no fringe benefit tax (₹ 0) in fiscal 2010.

### Our Results of Operations

The following table sets forth a breakdown of our consolidated results of operations for fiscal 2010, fiscal 2011 and fiscal 2012 and our unconsolidated results of operations for the nine months period ended December 31, 2012 and each item as a percentage of our total revenue for the periods indicated. The table below represents the results from continuing operations as well as discontinued operations. The discontinued operations for fiscal 2012 were comprised of the activities and operations of our IT testing and other related services to JD Global which have been demerged and the operations of our subsidiary, JD USA which has subsequently been sold; the discontinued operations for fiscal 2011 were comprised of our print business. We had no revenue from discontinued operations in the nine months period ended December 31, 2012.

#### For continuing operations:

	Fiscal 2010 consolidated		Fiscal 2011 consolidated		Fiscal 2012 consolidated		Nine months period ended December 31, 2012 unconsolidated	
	(in ₹ million)	(%)	(in ₹ million)	(%)	(in ₹ million)	(%)	(in ₹ million)	(%)
<b>INCOME</b>								
Revenue from operations								
Sale of search related services	1,160.6	86.1	1,796.0	95.7	2,594.0	93.6	2,643.6	97.3
Yellow pages publication services	148.5	11.0	-	-	-	-	-	-
Other operating revenue (revenue from reseller)	-	-	43.3	2.3	26.6	1.0	1.3	0.1

	Fiscal 2010 consolidated		Fiscal 2011 consolidated		Fiscal 2012 consolidated		Nine months period ended December 31, 2012 unconsolidated	
	(in ₹ million)	(%)	(in ₹ million)	(%)	(in ₹ million)	(%)	(in ₹ million)	(%)
Other income	38.5	2.9	37.3	2.0	149.6	5.4	71.2	2.6
<b>Total revenue</b>	<b>1,347.6</b>	<b>100.0</b>	<b>1,876.6</b>	<b>100.0</b>	<b>2,770.2</b>	<b>100.0</b>	<b>2,716.1</b>	<b>100.0</b>
<b>EXPENSES</b>								
Employee benefits expenses	668.8	49.6	947.2	50.5	1,308.4	47.2	1,290.3	47.5
Depreciation and amortization	52.5	3.9	67.9	3.6	90.2	3.3	102.0	3.8
Finance cost	0.0	0.0	0.3	0.0	0.2	0.1	0.0	0.0
Other expenses	343.2	25.5	438.3	23.4	639.5	23.1	619.5	22.8
<b>Total expenses</b>	<b>1,064.5</b>	<b>79.0</b>	<b>1,453.7</b>	<b>77.5</b>	<b>2,038.2</b>	<b>73.6</b>	<b>2,011.8</b>	<b>74.1</b>
Restated profit before tax & exceptional items	283.1	21.0	422.9	22.5	732.0	26.4	704.3	25.9
Exceptional items	-	-	-	-	-	-	(15.2)	(0.6)
<b>Restated profit before tax</b>	<b>283.1</b>	<b>21.0</b>	<b>422.9</b>	<b>22.5</b>	<b>732.0</b>	<b>26.4</b>	<b>689.1</b>	<b>25.4</b>
<b>Tax expense</b>								
Current tax	-	-	119.2	6.4	206.0	7.4	207.3	7.6
Deferred tax charge/(credit)	98.8	7.3	15.5	0.8	3.3	0.1	11.0	0.4
Fringe benefit tax	-	-	-	-	-	-	-	-
<b>Total tax expense</b>	<b>98.8</b>	<b>7.3</b>	<b>134.7</b>	<b>7.2</b>	<b>209.2</b>	<b>7.6</b>	<b>218.3</b>	<b>8.0</b>
<b>Restated profit after tax before minority interest</b>	<b>184.3</b>	<b>13.7</b>	<b>288.2</b>	<b>15.4</b>	<b>522.8</b>	<b>18.9</b>	<b>470.8</b>	<b>17.3</b>

**For discontinued operations:**

	Fiscal 2012 (in ₹ million)
<b>INCOME</b>	
<b>Total revenue</b>	<b>57.0</b>
<b>EXPENDITURE</b>	
<b>Total expenditure</b>	<b>52.8</b>
<b>Profit/(loss) before tax</b>	<b>4.2</b>
<b>Tax expense</b>	
<b>Total tax expense/(income)</b>	<b>(1.2)</b>
<b>Restated profit/(loss) after tax</b>	

	Fiscal 2012 (in ₹ million)
	5.4

### ***Nine months period ended December 31, 2012***

*Total revenue.* We had total revenues of ₹ 2,716.1 million in the nine months period ended December 31, 2012. We had no revenue from discontinued operations in the nine months period ended December 31, 2012.

*Revenue from Operations.* Our revenue from continuing operations in the nine months period ended December 31, 2012, totaled ₹ 2,645.0 million, 99.9% of which was derived from our search related services. An increase in call and Internet search traffic and greater marketing efforts in this period resulted in the number of campaigns increasing from approximately 171,000 as of March 31, 2012 to approximately 195,100 as of December 31, 2012.

- *Other income.* Our other income was ₹ 71.2 million for the nine months period ended December 31, 2012, primarily from yields from, and profits on the sale of, current investments.

*Total expenses.* Our total expenses were ₹ 2,011.8 million for the nine months period ended December 31, 2012, which comprised of employee benefits expenses and other expenses.

- *Employee benefits expenses.* Our employee benefits expenses totaled ₹ 1,290.3 million for the nine months period ended December 31, 2012. This is principally attributable to an increase in the number of employees from 6,201 as of March 31, 2012 to 7,844 as of December 31, 2012, as well as an increase in remuneration levels. Our number of employees increased due to the expansion of our business, in particular our sales, marketing, business development and service personnel.
- *Depreciation and amortization expense.* Depreciation and amortization totaled ₹ 102.0 million for the nine months period ended December 31, 2012, which was principally attributable to capital expenditure due to the addition and/or expansion of offices in various cities.
- *Finance cost.* Our finance cost totaled ₹ 0.05 million for the nine months period ended December 31, 2012, which was principally attributable to interest on vehicle loans.
- *Other expenses.* Our other expenses for continuing operations totaled ₹ 619.5 million for the nine months period ended December 31, 2012, which was principally attributable to advertising, marketing and infrastructure expenses in furtherance of our growth and expansion strategy. Our other expenses also included expenditure on rent, sales promotion costs, communication costs, database and other miscellaneous expenses.

*Restated profit before tax.* Our restated profit before tax and exceptional items was ₹ 704.3 million for the nine months period ended December 31, 2012. As a percentage of total revenue, our profit before tax and exceptional items was 25.9% for the nine months period ended December 31, 2012.

#### *Tax expenses.*

- *Current tax.* We recorded a current tax for continuing operations of ₹ 207.3 million for the nine months period ended December 31, 2012. This was principally due to an increase in our total taxable profits.
- *Deferred tax charge / (credit).* We recorded a deferred tax charge related to continuing operations of ₹ 11.0 million for the nine months period ended December 31, 2012. This was principally due to the timing in which expenses were incurred.

*Restated profit after tax.* As a result of the factors outlined above, our restated profits after tax totaled ₹ 470.8 million for the nine months period ended December 31, 2012.

### ***Fiscal 2012 Compared to Fiscal 2011***

*Total revenue.* We had total revenue from continuing operations of ₹ 2,770.2 million in fiscal 2012, an increase of 47.6% over our total revenue from continuing operations of ₹ 1,876.6 million in fiscal 2011. This increase in total revenue was primarily due to a 42.5% increase in revenue from continuing operations in fiscal 2012 from fiscal 2011. Our revenue from discontinued operations for fiscal 2012 is ₹ 57.0 million.

*Revenue from Operations.* Our revenue from continuing operations increased 42.5% from ₹ 1,839.3 million in fiscal 2011 to ₹ 2,620.6 million in fiscal 2012. The increase in revenue from operations was primarily due to an increase in call and Internet search traffic and greater marketing efforts resulting in increased paid advertiser subscriptions and increased revenue from existing paid advertisers. Our revenue from operations has also increased as we have focused our marketing efforts in expanding our services in untapped markets and broadening our reach in other locations. The increase in revenue from operations is reflected in an increase in the number of campaigns from approximately 120,200 as of March 31, 2011 to 171,000 as of March 31, 2012.

- *Other income.* Our other income increased 301.6%, from ₹ 37.3 million in fiscal 2011 to ₹ 149.6 million in fiscal 2012. The increase was primarily due to an increase in current investment resulting in an aggregate increase in yields from, and profits on the sale of, current investments.

*Total expenses.* Our expenses for continuing operations totaled ₹ 2,038.2 million in fiscal 2012, a 40.2% increase over our total expenses of ₹ 1,453.6 million in fiscal 2011. This increase in total expenses was primarily due to increased employee benefits expenses and other expenses in line with the growth of our business, as well as increased advertising expenses. As a percentage of our total revenue, our expenses decreased slightly from 77.5% in fiscal 2011 to 73.6% in fiscal 2012.

- *Employee benefits expenses.* Our employee benefits expenses for continuing operations totaled ₹ 1,308.4 million in fiscal 2012, a 38.1% increase over our employee benefits expenses of ₹ 947.2 million in fiscal 2011, which was principally attributable to increase in the number of employees from 4,868 employees as of March 31, 2011 to 6,201 employees as of March 31, 2012 as well as an increase in remuneration levels. Our number of employees increased due to the expansion of our business, in particular our sales, technology and research and development personnel.
- *Depreciation and amortization expense.* Depreciation and amortization related to continued operations totaled ₹ 90.2 million in fiscal 2012, a 32.93% increase over depreciation and amortization of ₹ 67.9 million fiscal 2011, which was principally attributable to an increase in capital expenditure due to the addition and/or expansion of offices in various cities.
- *Finance cost.* Our finance cost totaled ₹ 0.2 million in fiscal 2012, a 40.1% decrease over finance cost of ₹ 0.3 million in fiscal 2011, which was principally attributable to decreased interest on vehicle loans.
- *Other expenses.* Our other expenses for continuing operations totaled ₹ 639.5 million in fiscal 2012, a 45.9% increase over other expenses of ₹ 438.3 million in fiscal 2011. The increase in other expenses can be attributed primarily to advertising, marketing and infrastructure expenses in furtherance of our growth and expansion strategy. The growth of our business also resulted in a corresponding increase in expenditure on rent, sales promotion costs, communication costs, database and other miscellaneous expenses.

*Restated profit before tax.* As a result of the factors outlined above, our restated profit before tax from continuing operations increased 73.1% from ₹ 423.0 million in fiscal 2011 to ₹ 732 million in fiscal 2012. As a percentage of total revenue, our profit before tax from continuing operations increased from 22.5% in fiscal 2011 to 26.4% in fiscal 2012.

*Tax expenses.*

- *Current tax.* We recorded a current tax for continuing operations of ₹ 206.0 million for fiscal 2012 as compared to ₹ 119.2 million for fiscal 2011. This was principally due to increase in total taxable profits of our Company.
- *Deferred tax charge / (credit).* We recorded a deferred tax charge related to continuing operations of ₹ 3.3

million in fiscal 2012 as compared to deferred tax charge of ₹ 15.5 million in fiscal 2011. This was principally due to the timing in which expenses were incurred as well as the use of a different calculation of depreciation.

*Restated profit after tax before minority interest.* As a result of the factors outlined above, our restated profits after tax from continuing operations increased 81.4%, from ₹ 288.2 million in fiscal 2011 to ₹ 522.8 million in fiscal 2012.

### ***Fiscal 2011 Compared to Fiscal 2010***

*Our fiscal 2010 results include results relating to our yellow pages publication services that we refer to as our print business. The print business was however discontinued in fiscal 2011 as we focused on our core business which is non-print local search services. As a result of the discontinuation of our print business in fiscal 2011, fiscal 2010 and fiscal 2011 results may not be entirely comparable.*

- *Total revenue.* We had total revenue from continuing operations of ₹ 1,876.6 million in fiscal 2011, an increase of 39.3% over our total revenue of ₹ 1,347.6 million in fiscal 2010. This increase in total revenue was primarily due to a 40.5% increase in revenue related to continuing operations in fiscal 2011 from fiscal 2010.
- *Revenue from Operations.* Our revenue from continuing operations increased 40.5% from ₹ 1,309.1 million in fiscal 2010 to ₹ 1,839.3 million in fiscal 2011. The increase in revenue from operations was primarily due to an increase in call and Internet search traffic, greater marketing efforts resulting in increased paid advertiser subscriptions. The increase in revenue from operations is reflected in an increase in the number of campaigns from approximately 61,500 as of March 31, 2010 to 120,200 as of March 31, 2011. In fiscal 2010, our revenue from print business was ₹ 148.5 million compared to ₹ 123.8 million in fiscal 2009. In fiscal 2011, we had revenue of ₹ 0 from the print business. Excluding the impact of the print business, our revenue from operations increased from ₹ 1,160.6 million in fiscal 2010 to ₹ 1,839.3 million in fiscal 2011, an increase of 58.5%.
- *Other income.* Our other income decreased 3.4%, from ₹ 38.6 million in fiscal 2010 to ₹ 37.3 million in fiscal 2011. The decrease was primarily due to a change in the investment strategy for our current investments from an emphasis on income-based fixed income products to an emphasis on growth-based fixed income products.

*Total expenditure.* Our expenditure from continuing operations totaled ₹ 1,453.6 million in fiscal 2011, a 36.5% increase over our total expenditure of ₹ 1,064.6 million in fiscal 2010. This increase in total expenditure was primarily due to increased employee benefit expenses and other expenses in line with the growth of our business. As a percentage of our total revenue, our expenditure decreased slightly from 79% in fiscal 2010 to 77.5% in fiscal 2011.

Our fiscal 2010 expenditure includes ₹ 20.0 million of publication expense relating to our print business while we had publication expense of ₹ 0 in fiscal 2011 as the print business was discontinued in fiscal 2011. Excluding the impact of the print business in both fiscal 2011 and 2010, as a percentage of our total income, our expenditure decreased from 87.1% in fiscal 2010 to 77.5% in fiscal 2011.

- *Employee Benefit expenses.* Our employee benefit expenses for continuing operations totaled ₹ 947.2 million in fiscal 2011, a 41.6% increase over our employee benefit expenses of ₹ 668.8 million in fiscal 2010, which was principally attributable to increase in the number of employees from 3,763 employees as of March 31, 2010 to 4,868 employees as of March 31, 2011 as well as an increase in remuneration levels. Our number of employees increased due to the expansion of our business, in particular our sales, technology and research and development personnel.
- *Depreciation and amortization.* Depreciation and amortization related to continuing operations totaled ₹ 67.9 million in fiscal 2011, a 29.3% increase over depreciation and amortization of ₹ 52.5 million fiscal 2010, which was principally attributable to an increase in capital expenditure due to the addition and/or

expansion of offices in various cities.

- *Financial expenses.* Our financial expenses totaled ₹ 0.3 million in fiscal 2011, a 686.6% increase over financial expenses of ₹ 0.04 million in fiscal 2010, which was principally attributable to increased bank interest on a vehicle loan.
- *Other expenses.* Our other expenses for continuing operations totaled ₹ 438.3 million in fiscal 2011, a 27.7% increase over operating expenditure of ₹ 343.2 million in fiscal 2010. The increase in other expense can be attributed primarily to infrastructure and marketing expenses in furtherance of our growth and expansion strategy. The growth of our business also resulted in a corresponding increase in expenditure on rent, advertising and sales promotion costs, communication costs, database and other miscellaneous expenses.

*Restated profit before tax.* As a result of the factors outlined above, our restated profit before tax from continuing operations increased 49.4% from ₹ 283.1 million in fiscal 2010 to ₹ 422.9 million in fiscal 2011. As a percentage of total revenue, our profit before tax increased from 21% in fiscal 2010 to 22.5% in fiscal 2011.

*Tax expenses.*

- *Current tax.* We recorded a current tax related to continuing operations of ₹ 119.2 million for fiscal 2011. We had current tax charge of ₹ 0 for fiscal 2010 as higher income taxes were paid in the years preceding fiscal 2010 when our revenue was recognized based on collections. We received credit for surplus taxes paid prior to fiscal 2010 which is reflected in our current tax in fiscal 2011 and 2010.
- *Deferred tax charge / (credit).* We recorded a deferred tax charge related to continuing operations of ₹ 15.5 million in fiscal 2011 as compared to deferred tax charge of ₹ 98.8 million in fiscal 2010. This was principally due to the reversal of deferred taxes recognized in prior years when our revenue was taxed based on collections. Short or excess provision of prior taxes provided in each accounting year has been adjusted in the respective fiscal years for which the provision for tax was short. The change to the accounting policies in fiscal 2010 has resulted in net deferred tax assets as per the restated summary statements. A major proportion of such deferred tax assets emanate from tax paid by our Company due to timing differences on account of expenses. The deferred tax liabilities appearing in each of the audited financial statements for fiscals 2009 and 2008 have been off-set with the deferred tax assets created as a consequence of the changes in accounting policies and the net deferred tax amount has been recognized as per the restated summary statements for fiscals 2009 and 2008. See “Critical Accounting Policies” on page 324.

*Restated profit after tax before minority interest from continuing operations.* As a result of the factors outlined above, our restated profits after tax from continuing operations increased 56.4%, from ₹ 184.3 million in fiscal 2010 to ₹ 288.2 million in fiscal 2011.

### **Liquidity and Capital Resources**

Over the past three years, we have been able to finance our working capital requirements through cash generated from our operations, financing through issuance of share capital and investment activities. We have relied on cash from internal resources to finance the expansion of our business and operations, and do not have any debt (other than secured vehicle loans). Since commencement of our operations, we have expanded our physical presence to 11 cities with call centres at eight locations and provide Internet, mobile Internet, voice and SMS search services. We believe that after taking into account the expected cash to be generated from our business and operations and our investment activities, we have sufficient working capital for our present requirements and anticipated requirements for capital expenditures and other cash requirements for 12 months following the date of this Red Herring Prospectus.

As of December 31, 2012, we had ₹ 4,758.7 million of cash and bank balance and investments and had no long-term borrowings (₹ 0.0), which we believe is a competitive advantage for us and a platform to grow our operations without being constrained by significant reliance on external financing sources.

The following table sets forth information on our investments and cash and bank balances as at the dates indicated:

	As at			
	March 31, 2010 consolidated	March 31, 2011 consolidated	March 31, 2012 consolidated	December 31, 2012 unconsolidated
	(consolidated)			
	(in million)			
Investments (excluding investment in JD Global)	779.9	1,014.9	1,568.0	4,500.7
Cash and bank balances	121.2	201.2	237.4	258.0
<b>TOTAL</b>	<b>901.1</b>	<b>1,216.2</b>	<b>1,805.4</b>	<b>4,758.7</b>

The following table sets forth certain information concerning our cash flows for the periods indicated:

	Fiscal 2010 consolidated	Fiscal 2011 consolidated	Fiscal 2012 consolidated	Nine months period ended December 31, 2012 unconsolidated
	(consolidated)			
	(in million)			
Net cash from/(used in) operating activities	349.8	604.7	902.0	684.5
Net cash from/(used in) investing activities	(297.6)	(527.8)	(1,144.3)	(3,185.1)
Net cash from/(used in) financing activities	5.9	(1.1)	291.3	2,521.2

#### ***Net Cash From/(Used In) Operating Activities***

For the nine months period ended December 31, 2012 (on an unconsolidated basis), our net cash from operating activities was ₹ 684.5 million, reflecting a change in revenue, net profits and current liabilities during the period. For fiscal 2012 (on a consolidated basis), our net cash from operating activities was ₹ 902.0 million, reflecting an increase in revenue, net profits and current liabilities during the year. For fiscal 2011 (on a consolidated basis), our net cash from operating activities was ₹ 604.7 million, primarily due to an increase in revenue, net profits and current liabilities during the year. For fiscal 2010 (on a consolidated basis), our net cash from operating activities was ₹ 349.8 million, reflecting an increase in revenue and net profits and current liabilities during the year. Our income received in advance (which is a part of our current liabilities) increased from ₹ 678.5 million in fiscal 2011 to ₹ 1,099.4 million in fiscal 2012 as our paid advertisers make payments in advance of their campaigns and the number of campaigns increased to approximately 171,000 as of March 31, 2012 from approximately 120,200 as of March 31, 2011. See “Our Critical Accounting Policies - Revenue Recognition”.

#### ***Net Cash From/(Used In) Investing Activities***

For the nine months period ended December 31, 2012 (on an unconsolidated basis), our net cash used in investing activities was ₹ 3,185.1 million, principally attributable to an increase in investments and the addition of fixed assets. For fiscal 2012 (on a consolidated basis), our net cash used in investing activities was ₹ 1,144.3 million, principally due to an increase in investments and the addition of fixed assets. For fiscal 2011 (on a consolidated basis), our net cash used in investing was ₹ 527.8 million, principally due to an increase in investments and the addition of fixed assets. For fiscal 2010 (on a consolidated basis), our net cash used in investing activities was ₹ 297.6 million, principally due to an increase in investments and the addition of fixed assets.

#### ***Net Cash From/(Used In) Financing Activities***

For the nine months period ended December 31, 2012 (on an unconsolidated basis), our net cash from financing activities was ₹ 2,521.2 million, primarily due to the issuance of equity shares. For fiscal 2012 (on a consolidated



basis), our net cash from financing activities was ₹ 291.3 million, primarily due to the issuance of preference shares. For fiscal 2011 (on a consolidated basis), our net cash used in financing activities was ₹ 1.1 million, primarily due to the repayment of vehicle loans. For fiscal 2010 (on a consolidated basis), our net cash from financing activities was ₹ 5.9 million, primarily due to drawdown of secured loans.

### **Capital Expenditures**

Our capital expenditures are mainly related to the purchase of fixed assets and intangibles, principally plant and machinery, office equipment, furniture and fixtures, computer hardware and software. The primary source of financing for our capital payments has been our cash from operations.

The table below provides details of our net cash outflow on capital expenditures for the periods stated.

	Fiscal		
	2010	2011	2012
	(consolidated)		
	(in million)		
Cash used in purchase of fixed assets (including intangible assets, capital work in progress and capital advances) and cash from net of proceeds from sale of fixed assets	98.8	175.8	230.6

### **Planned Capital Expenditures**

We estimate our planned capital expenditures for the period between April 1, 2013 and March 31, 2014 to be in the range of 5% to 8% of our revenue which is planned to be used to establish new premises, procure and upgrade computer hardware and develop of computer software related to our business.

The anticipated source of funding for our planned capital expenditures is cash from our operations and investment activities. The eventual sources of funding for our capital expenditure would depend on, among others, factors such as the cost and availability of financing and our available cash balances at any point in time.

### **Contractual Obligations**

The table below sets forth, as of December 31, 2012, our contractual obligations with definitive payment terms. These obligations primarily relate to rent incurred under leases of our offices across India.

	As of December 31, 2012			
	Total	Less than 1 year	1 to 5 years	After 5 years
	(in million)			
Lease rent	716.8	159.0	425.0	132.8

### **Contingent Liabilities**

As of December 31, 2012, we had the following contingent liabilities that had not been provided for:

*Income tax demands:* We have appealed our income tax assessments for fiscal 2004, 2007, 2008, 2009 and 2010 and our contingent liability for income tax demands for these years aggregates to ₹ 12.4 million as at December 31, 2012 as per the restated unconsolidated summary statements.

*Litigations:* There are certain outstanding litigations against us. However, we believe that the likelihood of any monetary liability arising from such litigations is remote.

Our contingent liabilities may become actual liabilities. In the event that any of our contingent liabilities become

non-contingent, our business, financial condition and results of operations may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal year or in the future.

### **Off-Balance Sheet Transactions**

We do not have any off-balance sheet transactions.

### **Market Risks**

#### ***Interest Rate Risk***

Other than certain secured loans for vehicles and investments in debt securities, as of the date of this Red Herring Prospectus we do not have any credit facilities from any banks or financial institutions. As a result, changes in interest rates are not likely to substantially affect our operations.

#### ***Exchange Rate Risk***

Other than JD USA's payment of an annual trademark license fee to us of 1% of JD USA's net revenue, we do not have any foreign currency revenues or foreign currency borrowings. As a result, changes in exchange rates are not likely to substantially affect our operations.

#### ***Inflation***

In recent years, India has experienced relatively high rates of inflation. While we believe inflation has not had any material impact on our business and results of operations, inflation generally impacts the overall economy and business environment and hence could affect us.

#### ***Seasonality***

Our business is not seasonal.

### **Unusual or Infrequent Events or Transactions**

Except as described in this Red Herring Prospectus, there have been no events or transactions to our knowledge which may be described as "unusual" or "infrequent".

### **Known Trends or Uncertainties**

Other than as described in the sections "Risk Factors" and this "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 15 and 320, respectively, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on our revenues or income from continuing operations.

### **Future Relationships Between Costs and Income**

Other than as described in the sections "Risk Factors" on page 15 and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 320, to our knowledge there are no known factors which will have a material adverse impact on our operations or finances.

### **New Product or Business Segments**

Other than as described in the section "Our Business – Our Strategy – Develop New Products and Services" on page 138, there are no new products or business segments in which we operate.

### **Competitive Conditions**

We expect competitive conditions in our industry to intensify further as new entrants emerge and as existing competitors seek to emulate our business model and offer similar products and services. For further details, please

refer to the sections “Risk Factors” and “Business” beginning on pages 15 and 134, respectively, of this Red Herring Prospectus.

### **Significant Developments After December 31, 2012**

To our knowledge, except as disclosed below and otherwise disclosed in this Red Herring Prospectus, there is no subsequent development after the date of our financial statements contained in this Red Herring Prospectus which materially affects, or is likely to affect, our operations or profitability, or the value of our assets, or our ability to pay our material liabilities within the next 12 months.

Subsequent to the nine month period ended December 31, 2012:

- On January 23, 2013, our Company issued 28,029 Equity Shares to certain employees pursuant to exercise of the options granted to them.
- On January 23, 2013, our Company issued 31,035 Equity Shares to Ramkumar Krishnamachari pursuant to exercise of the options granted to him.
- On April 3, 2013, our Company issued 97,744 Equity Shares to certain employees pursuant to exercise of the options granted to them.
- On April 3, 2013, our Company issued 4,468 Equity Shares and 245,740 bonus Equity Shares to Sandipan Chattopadhyay pursuant to exercise of the options granted to him. These bonus Equity Shares were issued on account of the bonus issue in the ratio of 55:1, undertaken by our Company on April 24, 2010.
- On May 4, 2013, our Company issued 21,376 Equity Shares to certain employees pursuant to exercise of the options granted to them.

## SECTION VI: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated below there are no outstanding litigation, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company, our Directors, our Promoters and Group Companies and there are no defaults, non payment of statutory dues, over-dues to banks/financial institutions, defaults against banks / financial institutions, defaults in dues payable to holders of any debenture, bonds and fixed deposits and arrears of preference shares issued by our Company, defaults in creation of full security as per terms of issue/other liabilities, proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of our Company and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Directors, our Promoters and Group Companies.*

#### **Litigation involving our Company**

#### **Litigation against our Company**

##### *Criminal Cases*

1. Madanmohan Pandharinath Khade (the “Complainant”) has filed a complaint dated December 5, 2012 before the Court of the Chief Judicial Magistrate, Thane (the “Complaint”) against our Company, V.S.S. Mani, in his capacity as Managing Director of our Company, and V. Krishnan, Sanjay Bahadur, Ramani Iyer, Malcolm Monteiro, Ravi Adusumalli, B. Anand, in their capacity as Directors of our Company, and certain employees of our Company (the “Accused”) and has also filed an FIR against the Accused which was registered on January 4, 2013 with the Thane Police Station, Thane. The Complainant has alleged *inter alia* that the Accused committed the offences of criminal conspiracy and cheating under the IPC. The Complainant has alleged *inter alia* that our Company did not provide agreed-upon services, unlawfully extended the term of the services and deducted certain amounts of money from the Complainant through electronic clearing service without the Complainant’s consent. The Accused have filed an application dated February 11, 2013 (“Quashing Application”) before the High Court of Bombay against the State of Maharashtra and the Complainant (the “Respondents”) refuting the allegations of the Complainant and seeking *inter alia* quashing of the Complaint and the FIR registered against the Accused and an injunction restraining the State of Maharashtra from taking any coercive action against the Accused or any officers or directors of our Company pending final disposal of the Quashing Application. The High Court of Bombay has passed an interim order dated March 4, 2013 directing the State of Maharashtra not to take any coercive steps against the Accused for a period of four weeks. The matter is currently pending.
2. Ashok Rajani (the “Complainant”) has filed a complaint dated May 9, 2012 before the Court of Additional/Chief Metropolitan Magistrate’s 25<sup>th</sup> Court, Mazgaon, Mumbai (the “Magistrate”) against our Company, V.S.S. Mani, in his capacity as Managing Director of our Company, and certain employees of our Company (the “Accused”), alleging *inter alia* that the Accused committed the offences of criminal breach of trust, conspiracy, forgery and cheating under the IPC and has sought a direction for the relevant police station to undertake investigation and enquiry under Section 156(3) of the Code of Criminal Procedure, 1973 (the “Complaint”). The Complainant has alleged that the name of the Complainant’s proprietary concern was not being given first preference in the searches for the category of “playing cards” which was contrary to the terms of the contract entered into between the Complainant and our Company. It has also been alleged that the Accused forged the Complainant’s signature on the contract and have misused the monies paid by the Complainant. The Accused have filed an application dated September 3, 2012 (“Quashing Application”) before the High Court of Bombay against the State of Maharashtra and the Complainant (the “Respondents”) refuting the allegations of the Complainant and seeking *inter alia* quashing of the Complaint, together with an order dated June 1, 2012 passed by the Magistrate and C.R. No. 179 dated July 19, 2012 registered with the Byculla Police Station, and an injunction restraining the State of Maharashtra from taking any coercive action against the Accused or any officers or directors of our Company pending final disposal of the Quashing Application. The High Court of Bombay has passed an

interim order dated September 11, 2012 directing the concerned investigating officer to give 72 hours' advance notice to the Accused before taking any coercive steps. The matter is currently pending.

3. For details of other criminal litigation against our Company, please see "Outstanding Litigation and Material Developments – Litigation in relation to commercial dispute with Acube Infotech" on page 343.

#### *Civil Cases*

1. DRS Logistics (P) Limited and Agarwal Packers and Movers Private Limited ("Plaintiffs") have filed a suit before the High Court of Delhi against Google India Private Limited ("Defendant No. 1") and our Company, whereby the Plaintiffs have alleged that our Company, together with Defendant No. 1, has been using certain trademarks of the Plaintiffs as key words or meta-tags to misdirect internet traffic to websites of third-party infringers. The Plaintiffs have alleged that potential customers searching for the Plaintiffs' details are misdirected to third party websites. The Plaintiffs have sought inter alia a permanent injunction against Defendant No. 1 and our Company, including our Directors, officers, employees, agents, distributors, franchisees, representatives and assigns, restraining the use of the Plaintiffs' trademarks or names similar to that of the Plaintiffs' trademarks as key words, meta-tag or trademark in any manner together with damages, including exemplary and punitive damages. Our Company has refuted the Plaintiffs' allegations in its written statement filed on March 28, 2012. The matter is currently pending.
2. Four Interactive Private Limited ("Plaintiff") has filed a suit dated April 4, 2009 before the High Court of Bombay against our Company seeking *inter alia* a declaration that it is not infringing the copyright or confidential information of our Company, a permanent injunction against our Company restraining any interference in the operation of the Plaintiff's website <http://www.asklaila.com> and damages amounting to ₹ 100,000 with interest. Our Company has refuted the Plaintiff's allegations in its written statement filed on September 15, 2010. This matter was transferred to the city civil court on October 1, 2012. The matter is currently pending.
3. P.D. Hotels Private Limited ("Plaintiff") has filed a suit dated February 16, 2013 before the Court of Civil Judge (Senior Division), Chandigarh against our Company, whereby the Plaintiff has alleged that our Company failed to provide "Platinum" listing as agreed between the parties under a contract dated February 18, 2010. The Plaintiff has sought a decree of specific performance against our Company or damages amounting to ₹ 105,888 in case specific performance cannot be granted. Our Company is yet to file its written statement in this matter. The matter is currently pending.

#### *Consumer Complaints*

1. 10 consumer complaints have been filed before District Consumer Disputes Redressal Forums in Mumbai and other cities against our Company alleging *inter alia* deficiency in service and unfair trade practices. The aggregate amount involved in these matters is ₹ 1,517,806 with interest and other costs. The matters are currently pending at various stages of adjudication.
2. Two consumer complaints have been filed before District Consumer Disputes Redressal Forums in Mumbai and other cities against our Company and V.S.S. Mani alleging *inter alia* deficiency in service and unfair trade practices. The aggregate amount involved in these matters is ₹ 247,472 with interest and other costs. The matters are currently pending at various stages of adjudication.
3. S.K. Gupta, proprietor of Shruti Electronics, and Gajender Singh ("Complainants") had filed a complaint dated March 19, 2012 before the Delhi Government Mediation & Conciliation Centre (the "Conciliation Centre") against our Company whereby the Complainants alleged that our Company debited the Complainants' account to the extent of ₹ 2,756 without their consent and also forged the Complainants' stamp and signature on an Electronic Clearing Service mandate form. Our Company had entered into a contract dated November 14, 2011 with Shruti Electronics. The Conciliation Centre by way of its report dated May 21, 2012 closed the case and stated that compromise talks have failed and that S.K. Gupta wishes to proceed with the matter at an appropriate forum.

4. Sumit Rajan, on behalf of M.S. Air Conditioner, (the “Complainant”) has filed a complaint dated May 3, 2013 before the Delhi Government Mediation & Conciliation Centre (the “Conciliation Centre”) against our Company alleging *inter alia* that our Company continued to deduct money through electronic clearing service despite discontinuance of services under a contract entered into between the Complainant and our Company. Our Company has received a notice dated May 6, 2013 from the Conciliation Centre requiring appearance on May 17, 2013 together with relevant documents for settlement of the dispute. The aggregate amount involved in this matter is ₹ 109,967. The matter is currently pending.

#### *Income Tax Cases*

1. Our Company has filed an appeal dated April 4, 2013 before the Income Tax Appellate Tribunal, Mumbai against an order dated January 23, 2013 passed by the Commissioner of Income Tax (Appeals)-20 (the “CIT”) dismissing the appeal dated April 19, 2012 filed by our Company before the CIT. The appeal was filed by our Company before the CIT challenging the order and demand notice dated March 29, 2012 issued by the Deputy Commissioner of Income Tax-9(2), Mumbai. The order and demand notice were issued against our Company in relation to imposition of penalty with respect to improper determination of business income for the Assessment Year 2007-2008. The amount involved in the matter is ₹ 1,214,665 which has been paid by our Company in protest. The matter is currently pending.
2. Our Company has filed an appeal dated April 4, 2013 before the Income Tax Appellate Tribunal, Mumbai against an order dated January 7, 2013 passed by the Commissioner of Income Tax (Appeals)-20, Mumbai (the “CIT”) partly allowing the appeal dated January 12, 2012 filed by our Company before the CIT. The appeal was filed by our Company before the CIT challenging the order and demand notice dated November 30, 2011 issued by the Deputy Commissioner of Income Tax-9(2), Mumbai. The order and demand notice were issued against our Company in relation to improper determination of business income for the Assessment Year 2009-2010. Our Company has challenged *inter alia* the disallowance of expenditure in relation to exempt income and depreciation on goodwill. The amount involved in the matter is ₹ 610,183 which has been paid by our Company in protest. The matter is currently pending.
3. Our Company has filed an appeal on October 4, 2011 before the Income Tax Appellate Tribunal, Mumbai (the “ITAT”) against an order dated July 19, 2011 passed by the Commissioner of Income Tax (Appeals)-20, Mumbai whereby our Company is challenging the order and demand notice dated November 29, 2010 issued by the Additional Commissioner of Income Tax-9(1), Mumbai (the “Assessing Authority”). The order and demand notice were issued against our Company in relation to improper determination of business income for the Assessment Year 2008-2009. Our Company has challenged *inter alia* the disallowance of expenditure in relation to exempt income and depreciation on goodwill. The ITAT through an order dated October 19, 2012 has remitted the matter back to the Assessing Authority for a fresh decision. The amount involved in the matter is ₹ 935,600. The matter is currently pending.
4. Our Company has filed an appeal on January 9, 2013 before the Income Tax Appellate Tribunal, Mumbai against an order dated October 18, 2012 passed by the Commissioner of Income Tax (Appeals)-20, Mumbai whereby our Company is challenging the order and demand notice dated March 28, 2011 issued by the Deputy Commissioner of Income Tax-9(2), Mumbai. The order and demand notice were issued against our Company in relation to imposition of penalty with respect to improper determination of business income for the Assessment Year 2006-2007. The amount involved in the matter is ₹ 2,328,080. The matter is currently pending.
5. Our Company has filed an appeal on March 28, 2011 before the Income Tax Appellate Tribunal, Mumbai against an order dated January 14, 2011 passed by the Commissioner of Income Tax (Appeals)-20, Mumbai whereby our Company is challenging the order and demand notice dated December 23, 2009 issued by the Deputy Commissioner of Income Tax-9(2), Mumbai. The order and demand notice were issued against our Company in relation to improper determination of business income for the Assessment Year 2007-2008. Our Company has challenged *inter alia* the disallowance of expenditure in relation to exempt income, legal and professional fees and expenditure in relation to repairs and maintenance from its business income. The amount involved in the matter is ₹ 2,404,459. The matter is currently pending.

6. Our Company has filed an appeal on April 23, 2010 before the Income Tax Appellate Tribunal, Mumbai against an order dated February 23, 2010 passed by the Commissioner of Income Tax (Appeals) 19, Mumbai whereby our Company is challenging the order and demand notice dated December 26, 2008 issued by the Additional Commissioner of Income Tax-9(1), Mumbai. The order and demand notice were issued against our Company in relation to improper determination of business income for the Assessment Year 2006-2007. Our Company has challenged *inter alia* the disallowance of gratuity payment and renovation and civil expenses from its business income. The amount involved in the matter is ₹ 3,852,310. The matter is currently pending.
7. Our Company has filed an appeal dated May 9, 2009 before the Income Tax Appellate Tribunal, Mumbai against an order dated March 4, 2009 passed by the Commissioner of Income Tax (Appeals)-IV, Delhi whereby our Company is challenging the order and demand notice dated December 12, 2007 issued by the Additional Commissioner of Income Tax-1, New Delhi. The order and demand notice were issued against our Company in relation to improper determination of business income for the Assessment Year 2005-2006. Our Company has challenged *inter alia* the addition of deferred revenue receipts and gratuity payment to its business income. The amount involved in the matter is ₹ 1,105,201 which has been paid by our Company in protest. The matter is currently pending.
8. Our Company has filed an appeal dated January 10, 2008 before the Income Tax Appellate Tribunal, New Delhi against an order dated October 16, 2007 passed by the Commissioner of Income Tax (Appeals)-IV, Delhi whereby our Company is challenging the order and demand notice dated December 30, 2005 issued by the Deputy Commissioner of Income Tax-1(1), New Delhi. The order and demand notice were issued against our Company in relation to improper determination of business income for the Assessment Year 2003-2004. Our Company has challenged *inter alia* the addition of advance income to its business income and the calculations of interest. The amount involved in the matter is ₹ 2,385,521. The matter is currently pending.

#### *ESI Act*

1. Our Company has filed an application dated April 26, 2011 before the Employees' Insurance Court, Mumbai against an order dated March 24, 2011 passed by the Regional Director, ESIC, Mumbai whereby our Company is challenging the Regional Director's determination that our Company is liable to pay contributions under the ESI Act for the period from April 2005 to September, 2010. The amount involved in the matter is ₹ 6,528,621 and our Company has deposited ₹ 4,469,147 in protest. The matter is currently pending.

#### *Employees' Compensation Act*

1. Rajendra Khushalbhai Chauhan ("Complainant") has filed an application dated August 17, 2011 before the Workman Compensation Commissioner of Ahmedabad Labour Court against Ashokbhai Kantibhai Parmar ("Opponent 1") and our Company seeking *inter alia* compensation amounting to ₹ 150,000 with interest under the Workmen's Compensation Act, 1923, as amended and medical expenditure incurred amounting to ₹ 50,000 with interest. The Complainant has alleged that he suffered injuries while performing the work of cable installation which was contracted out by our Company to Opponent 1. The matter is currently pending.

#### *Notices*

1. The RoC has issued a notice dated February 18, 2013 calling upon our Company to provide information, together with relevant supporting documents, under section 234 of the Companies Act concerning our Company's balance sheet as at March 31, 2011 and March 31, 2012. The RoC has asked our Company to explain the compliance of certain matters disclosed in these balance sheets with the requirements of the Companies Act, including certain transactions with related parties, utilization of share application money and certain allotments of shares on preferential basis. We have replied to the notice through our letter dated March 19, 2013. The matter is currently pending.

2. The Police Sub-Inspector, Wilson Garden Police Station, Bengaluru has issued a letter dated August 9, 2012 (the “Police Letter”) informing our Company that a criminal complaint has been lodged with the Wilson Garden Police Station under Section 380 of the IPC. Further, the Police Letter states that the complaint has been filed in relation to alleged cheating committed by one of our advertisers, AKS 24x7 Service Centre (“AKS”), and instructs our Company to produce our Company’s constitutional documents, documents entered into with AKS and certain other information. Our Company has submitted the relevant documents as required under the Police Letter and has not received any further communication in relation to the Police Letter. The matter is currently pending.
3. The Police Sub-Inspector, S.R. Nagar Police Station, Hyderabad has issued a letter dated October 13, 2012 (the “Police Letter”) informing our Company that a criminal complaint has been lodged with the S.R. Nagar Police Station under Sections 120B, 406 and 420 of the IPC. Further, the Police Letter instructs our Company to produce certain documents in relation to the complaint and the witnesses whose names are mentioned in the criminal complaint. Our Company has submitted the relevant documents as required under the Police Letter and has not received any further communication in relation to the Police Letter. The matter is currently pending.
4. The Investigation Officer, Police Station, Connaught Place, New Delhi (the “Investigation Officer”) has issued two letters each dated April 25, 2013 (the “Police Letters”) informing our Company of an investigation being conducted under Sections 420, 468 and 471 of the IPC. Further, the Police Letters instruct our Company to produce certain documents in relation to the complaint and require the appearance of certain persons, including our Chief Executive Officer, before the Investigation Officer. Our Company has submitted the relevant documents as required under the Police Letters and representatives of our Company have appeared before the Investigation Officer. The matter is currently pending.
5. Our Company has received letters dated November 5, 2012, March 4, 2011, January 21, 2011 and November 15, 2010 from the RoC advising our Company *inter alia* to attend to a complaint dated August 12, 2010 filed by Dharamveer Choudhary (the “Complainant”) against our Company wherein the Complainant has alleged fraudulent activities on part of our Company. The Complainant is the chief managing director of UBD Agro Private Limited (“UBD Agro”) which had entered into a contract dated May 5, 2009 with our Company. Our Company has replied to the RoC vide letter dated December 1, 2012 to the RoC stating that the claims and disputes involving UBD Agro have been resolved amicably. The matter is currently pending.
6. Our Company, together with certain third parties, has received 56 legal notices, including certain legal notices against our Directors, (the “Legal Notices”) alleging, amongst others, breach of contract, deficiency of service, infringement of intellectual property rights, fraud and misrepresentation, forgery of documents and unauthorised debits to bank accounts through electronic clearing service. The aggregate amount involved in the Legal Notices is ₹ 13,641,550 with interest. Our Company has replied to 45 Legal Notices as of date.
7. Our Company has received a letter dated April 15, 2013 from an organisation named Concern for Citizens which is addressed to SEBI together with certain other authorities including the Competition Commission of India and the Ministry of Corporate Affairs, Government of India. Concern for Citizens has alleged in its letter that our Company is indulging in unfair trade practices as the terms and conditions in our Company’s contracts with our customers are one-sided, arbitrary, unjust and against the interest of our customers. It is further alleged that our marketing executives try to wrongly influence customers into agreeing to their unfair, one-sided conditions, which are not provided to the customers. It is also alleged that in certain cases the Company asks its customers to sign blank instructions for money transfers to the Company. Concern for Citizens has requested the authorities to conduct investigations in the matter. As of the date of this Red Herring Prospectus, our Company has not received any notice from any regulatory authority in connection with this matter.



### *Other proceedings*

1. The Assistant Commissioner of Sales Tax, (Investigation) 16, Mumbai (the “Assistant Sales Tax Commissioner”), together with certain co-officers and staff, visited the Company’s office on April 22, 2013, April 23, 2013, April 25, 2013 and April 26, 2013 for the purposes of an investigation under Section 64 of the Maharashtra Value Added Tax Act, 2002 (the “MVAT Act”) and conducted a search of the Company’s premises and undertook verification of records. During the course of these visits, the Assistant Sales Tax Commissioner raised the following issues: (i) that our Company has not discharged the tax liability of certain Directors under the Maharashtra State Tax on Professions, Trade, Calling & Employment Act, 1975, and (ii) that our Company has not registered itself under the MVAT Act. The Company through its letter dated April 26, 2013 has provided clarifications to the issues raised by the Assistant Sales Tax Commissioner and has undertaken to discharge any tax liabilities that may arise pursuant to this investigation. The matter is currently pending.

### *Past penalties*

1. The RBI had issued a letter dated July 27, 2011 (the “RBI Letter”) to our Company, in relation to the remittance of funds by our Company in favour of JD USA. The RBI Letter stated that the remittance of US\$ 300,000 made by our Company on October 13, 2006, towards share application money in favour of JD USA, was not reported to the RBI and that the same is in violation of the applicable regulations under FEMA. The RBI had advised our Company to file an application to compound the contravention within 45 days from the date of the RBI Letter. However, our Company, in its letter dated August 1, 2011 to the RBI, stated that the relevant documents in relation to the remittance of US\$ 300,000 on October 13, 2006 was duly filed by our Company with its authorised dealer and that the omission to report the transaction was on part of the authorised dealer. Subsequently, our Company filed an application for compounding the contravention on August 29, 2011 (the “Compounding Application”). The RBI, through its order dated February 10, 2012, allowed the Compounding Application and compounded the contravention on payment of ₹ 200,000 by our Company within 15 days from the date of the order. Our Company has paid the amount of ₹ 200,000 by way of demand draft on February 17, 2012.

### **Litigation by our Company**

#### *Rectification proceedings*

Our Company has filed an application dated March 20, 2013 under Section 22 of the Companies Act before the Regional Director, Western Region, Mumbai against Just Dial Packers and Movers Private Limited (the “**Respondent**”). Our Company has alleged *inter alia* that the name of the Respondent is similar or closely resembles our Company’s name which is in violation of Sections 20 and 22 of the Companies Act. Our Company has sought *inter alia* a direction against the Respondent that it shall change its name such that its new name does not resemble the name of our Company. The matter is currently pending.

For details of other litigation by our Company, please see “Outstanding Litigation and Material Developments – Litigation involving our Company – Litigation in relation to commercial dispute with Acube Infotech” on page 343.

#### ***Litigation in relation to commercial dispute with Acube Infotech***

#### **Litigation against our Company in relation to commercial dispute with Acube Infotech**

#### *Criminal Cases*

1. Sujata Roy (“Complainant”), had filed a First Information Report (“FIR”) dated March 19, 2012 against V.S.S. Mani, in his capacity as Managing Director of our Company, and Kapil Jain and Madhu Rao, in their capacity as employees of our Company, (“Accused”) alleging *inter alia* that the Accused committed offences of criminal breach of trust and cheating under the Indian Penal Code, 1860, as amended. The Complainant has alleged that the Accused colluded and enticed Acube Infotech (“Acube”) to enter into certain advertising contracts with our Company pursuant to which Acube paid certain amounts but was not

provided any services. It has also been alleged that the Accused did not return the amount paid by Acube and has used such amount for personal gains. Kapil Jain, Madhu Rao and V.S.S. Mani (the “Applicants”) had filed an application dated April 10, 2012 (“Quashing Application”) before the High Court of Bombay against the State of Maharashtra and Sujata Roy (“Respondents”) and the Complainant seeking *inter alia* quashing of the FIR and an injunction restraining the State of Maharashtra from taking any coercive action against the Applicants or any officers or directors of our Company pending final disposal of the Quashing Application. The High Court of Bombay, through an order dated August 8, 2012, had allowed the Quashing Application and quashed the FIR filed by the Complainant.

#### *Notices*

1. Acube Infotech (“Acube”), through its legal counsel, has issued a notice dated January 9, 2012 to our Company’s legal counsel in response to our Company’s reply dated December 19, 2011. Acube has threatened legal action against our Company and has alleged *inter alia* that our Company failed to fulfil its contractual commitments and failed to upload web banners for Acube as per agreement. Our Company has replied to this notice vide letter dated February 22, 2012 and has not received any further communication from Acube regarding this notice.
2. Acube, through its legal counsel, has issued a notice dated December 23, 2011 to our Company’s Managing Director under sections 433 and 434 of the Companies Act for initiating winding-up proceedings against our Company and claiming ₹ 71,695 with interest and damages amounting to ₹ 2 million (“Winding-up Notice”). Acube has alleged that our Company failed to render services and perform its obligations under an agreement entered into by our Company with Acube for hosting web banners of Acube’s products on our Company’s website. Our Company has replied to the Winding-up Notice vide letter dated January 9, 2012 and has not received any further communication from Acube regarding the Winding-up Notice.
3. Acube, through its legal counsel, has issued a notice dated December 19, 2011 to our Company’s Managing Director. Acube has threatened legal action against our Company and has alleged that our Company did not render its services and failed to provide Acube with the required number of leads as per agreement. Our Company has replied to this notice vide letter dated January 10, 2012. The matter is currently pending.
4. Acube, through its legal counsel, has issued a notice dated October 8, 2011 to our Company’s Managing Director. Acube has threatened legal action against our Company and has alleged *inter alia* that our Company failed to fulfil its contractual commitments and failed to upload web banners for Acube as per agreement. Our Company has replied to this notice vide letter dated December 19, 2011. The matter is currently pending.

#### **Litigation by our Company in relation to commercial dispute with Acube Infotech**

##### *Civil Cases*

1. Our Company has filed a suit dated March 5, 2012 before the High Court of Bombay against Acube Infotech (“Acube”) seeking amongst others a permanent injunction against Acube, its officers, employees, agents, successors, assigns and any other person claiming under it (the “Acube Parties”), restraining them from publishing any defamatory statements or imputing any defamatory actions in any manner against our Company. Additionally, our Company has also sought damages amounting to ₹ 5 million together with interest from the Acube Parties. Our Company has submitted before the High Court of Bombay that Acube published false and defamatory material against our Company on the Internet by indicating amongst others that our Company did not comply with its obligations under certain contracts entered into with Acube and that our Company has over 5,000 consumer complaints pending against it. Our Company has also sought a decree directing the Acube Parties to withdraw the defamatory publications against our Company from the Internet and other media. The High Court of Bombay has passed an interim *ex parte* order dated June 15, 2012 granting a temporary injunction restraining the Acube Parties from making or publishing any defamatory imputations against our Company and to withdraw defamatory publications against our Company from the Internet and other media. The matter is currently pending.

### *Criminal Cases*

1. Our Company has filed a criminal complaint dated March 13, 2012 before the Court of the Metropolitan Magistrate, Borivali, Mumbai against Ashish Roy, proprietor of Acube Infotech, seeking *inter alia* trial of Ashish Roy for offences of defamation and criminal intimidation under the IPC. Our Company has submitted before the Court *inter alia* that Ashish Roy made defamatory remarks and allegations on various Internet websites against our Company, V.S.S. Mani and our Company's employees which has harmed our Company's reputation and that he made several calls threatening further injury to our Company's reputation. The matter is currently pending.

### *Litigation involving our Directors*

#### **V.S.S. Mani**

#### *Litigation against V.S.S. Mani*

1. One consumer complaint has been filed before the Consumer Disputes Redressal Forum II, Udyog Sadan, Qutab Industrial Area, New Delhi against V.S.S. Mani alleging *inter alia* deficiency in service and unfair trade practices. The aggregate amount involved in this matter is ₹ 283,384 with interest and other costs. The matter is currently pending.
2. One consumer complaint has been filed before the District Consumer Redressal Forum, Gautum Budh Nagar, Greater Noida against V.S.S. Mani and the Board of Directors alleging *inter alia* deficiency of service and unfair trade practices. The aggregate amount involved in this matter is ₹ 780,000 with interest and other costs. The matter is currently pending.
3. V.S.S. Mani has filed an appeal dated December 9, 2011 before the Income Tax Appellate Tribunal, Mumbai against an order dated September 13, 2011 passed by the Commissioner of Income Tax (Appeals)-20, Mumbai whereby V.S.S. Mani is challenging the order and demand notice dated December 9, 2010 issued by the Deputy Commissioner of Income Tax-9(2), Mumbai. The order and demand notice were issued against V.S.S. Mani in relation to improper determination of income for the Assessment Year 2008-2009. V.S.S. Mani has challenged the disallowing of a certain amount from the determination of his income. The amount involved in the matter is ₹ 1,390,832. The matter is currently pending.
4. The Deputy Commissioner of Income Tax-9(2), Mumbai has issued an order and demand notice dated February 28, 2013 and March 21, 2013, respectively, against V.S.S. Mani in relation to improper determination of income for the Assessment Year 2010-2011. The amount involved in the matter is ₹ 179,800. V.S.S. Mani has filed a rectification application on April 17, 2013 against the order. The matter is currently pending.
5. For details of other consumer complaints against V.S.S. Mani, please see "Outstanding Litigation and Material Developments – Litigation involving our Company – Litigation against our Company – Consumer Complaints – Case no. 2" and "Outstanding Litigation and Material Developments – Litigation in relation to commercial dispute with Acube Infotech – Criminal Cases" on pages 339 and 334, respectively.
6. For details of litigation against V.S.S. Mani, in his capacity as Managing Director of our Company, please see "Outstanding Litigation and Material Developments – Litigation against the Company – Criminal Cases" on page 338.

#### *Litigation by V.S.S. Mani*

Nil

**Ramani Iyer***Litigation against Ramani Iyer*

For details of litigation against Ramani Iyer, in his capacity as Director of our Company, please see “Outstanding Litigation and Material Developments – Litigation against the Company – Criminal Cases – Case no. 1” and “Outstanding Litigation and Material Developments – Litigation involving our Directors – Litigation against V.S.S. Mani – Case no. 2” on pages 338 and 345, respectively.

*Litigation by Ramani Iyer*

Nil

**V. Krishnan***Litigation against V. Krishnan*

For details of litigation against V. Krishnan, in his capacity as Director of our Company, please see “Outstanding Litigation and Material Developments – Litigation against the Company – Criminal Cases – Case no. 1” and “Outstanding Litigation and Material Developments – Litigation involving our Directors – Litigation against V.S.S. Mani – Case no. 2” on pages 338 and 345, respectively.

*Litigation by V. Krishnan*

Nil

**Ravi Adusumalli***Litigation against Ravi Adusumalli*

For details of litigation against Ravi Adusumalli, in his capacity as Director of our Company, please see “Outstanding Litigation and Material Developments – Litigation against the Company – Criminal Cases – Case no. 1” and “Outstanding Litigation and Material Developments – Litigation involving our Directors – Litigation against V.S.S. Mani – Case no. 2” on pages 338 and 345, respectively.

*Litigation by Ravi Adusumalli*

Nil

**B. Anand***Litigation against B. Anand*

For details of litigation against B. Anand, in his capacity as Director of our Company, please see “Outstanding Litigation and Material Developments – Litigation against the Company – Criminal Cases – Case no. 1” and “Outstanding Litigation and Material Developments – Litigation involving our Directors – Litigation against V.S.S. Mani – Case no. 2” on pages 338 and 345, respectively.

*Litigation by B. Anand*

Nil

## **Sanjay Bahadur**

### *Litigation against Sanjay Bahadur*

1. The Customs, Excise & Service Tax Appellate Tribunal, Mumbai (“CESTAT”) has imposed a penalty of on Sanjay Bahadur, in his capacity as a director of RDC Concrete (India) Private Limited (“RDC”), vide order dated November 4, 2008 in relation to an order passed by the Commissioner of Central Excise, Belapur, Mumbai (“Excise Commissioner”) against RDC alleging evasion of excise duty by RDC. The CESTAT rectified the order dated November 4, 2008 by an order dated November 23, 2009 which was challenged before the Supreme Court by the Excise Commissioner. The Supreme Court quashed and set aside the order dated November 23, 2009. The matter is currently pending.
2. The CESTAT vide order dated August 6, 2004 has allowed an appeal filed by Unitech Prefab Limited (“Unitech”) against an order dated May 9, 2002 passed by the Commissioner (Appeals), Central Excise, Mumbai whereby Unitech challenged a demand of excise duty made by the Commissioner of Central Excise, Mumbai (“Commissioner”) in relation to manufacture of ready mix concrete. Sanjay Bahadur was a director on the board of directors of Unitech. The Commissioner has filed an appeal before the Supreme Court challenging the order of the CESTAT. The matter is currently pending.
3. For details of other litigation against Sanjay Bahadur, in his capacity as Director of our Company, please see “Outstanding Litigation and Material Developments – Litigation against the Company – Criminal Cases – Case no. 1” and “Outstanding Litigation and Material Developments – Litigation involving our Directors – Litigation against V.S.S. Mani – Case no. 2” on pages 338 and 345, respectively.

### *Litigation by Sanjay Bahadur*

Nil

## **Malcolm Monteiro**

### *Litigation against Malcolm Monteiro*

For details of litigation against Malcolm Monteiro, in his capacity as Director of our Company, please see “Outstanding Litigation and Material Developments – Litigation against the Company – Criminal Cases – Case no. 1” and “Outstanding Litigation and Material Developments – Litigation involving our Directors – Litigation against V.S.S. Mani – Case no. 2” on pages 338 and 345, respectively.

### *Litigation by Malcolm Monteiro*

Nil

## **Shailendra Jit Singh**

### *Litigation against Shailendra Jit Singh*

For details of litigation against Shailendra Jit Singh, in his capacity as Director of our Company, please see “Outstanding Litigation and Material Developments – Litigation involving our Directors – Litigation against V.S.S. Mani – Case no. 2” on page 345.

### *Litigation by Shailendra Jit Singh*

Nil

***Litigation involving our Promoters***

**V.S.S. Mani**

*Litigation against V.S.S. Mani*

For details of litigation against V.S.S. Mani, please see “Outstanding Litigation and Material Developments – Litigation involving our Directors – Litigation against V.S.S. Mani” on page 345.

*Litigation by V.S.S. Mani*

Nil

**Anita Mani**

*Litigation against Anita Mani*

Nil

*Litigation by Anita Mani*

Nil

**Ramani Iyer**

*Litigation against Ramani Iyer*

For details of litigation against Ramani Iyer, in his capacity as Director of our Company, please see “Outstanding Litigation and Material Developments – Litigation against the Company – Criminal Cases – Case no. 1” and “Outstanding Litigation and Material Developments – Litigation involving our Directors – Litigation against V.S.S. Mani – Case no. 2” on pages 338 and 345, respectively.

*Litigation by Ramani Iyer*

Nil

**V. Krishnan**

*Litigation against V. Krishnan*

For details of litigation against V. Krishnan, in his capacity as Director of our Company, please see “Outstanding Litigation and Material Developments – Litigation against the Company – Criminal Cases – Case no. 1” and “Outstanding Litigation and Material Developments – Litigation involving our Directors – Litigation against V.S.S. Mani – Case no. 2” on pages 338 and 345, respectively.

*Litigation by V. Krishnan*

Nil

***Litigation involving our Group Companies***

**JD Global**

Nil

**JD USA**

Nil

**Superstar Ventures Private Limited**

Nil

**Material developments since December 31, 2012**

For the details of material developments since December 31, 2012, please see the section “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Significant Developments After December 31, 2012” on page 337.

**Small Scale Industries**

Our Company does not owe any small scale undertakings or other creditors any amounts exceeding ₹ 100,000 which is outstanding for more than 30 days. There are no disputes with such entities in relation to payments to be made to them.

## GOVERNMENT AND OTHER APPROVALS

*In view of the approvals listed below, our Company can undertake the Offer and our current business activities and except as disclosed below, no further major approvals from any governmental or regulatory authority or any other entity are required to undertake the Offer or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Red Herring Prospectus.*

### I. Incorporation Details

#### *Our Company*

- Certificate of incorporation no. 55-56539 of 1993-94 dated December 20, 1993 issued to our Company as A&M Communications Private Limited by the Registrar of Companies, Delhi and Haryana.
- Certification of Registration dated December 16, 2004 issued by the RoC registering the order dated July 9, 2004 of the Company Law Board confirming the transfer of the registered office of our Company from NCT of Delhi to the State of Maharashtra.
- Fresh certificate of incorporation consequent upon change of name to Just Dial Private Limited dated December 26, 2006 issued to our Company by the RoC.
- Fresh certificate of incorporation dated July 26, 2011 issued to our Company by the RoC consequent to the change of name upon conversion to a public limited company.

### II. Approvals in relation to the Offer

1. In-principle approval dated October 11, 2012 from the BSE.
2. In-principle approval dated September 24, 2012 from the NSE.
3. In-principle approval dated April 12, 2013 from MCX-SX.

### III. Approvals in relation to the business of our Company

Our Company is required to obtain various approvals for conducting its business. The registrations and approvals required to be obtained by our Company in respect of our business in India include the following:

#### A. Other Service Provider (“OSP”) Registrations

1. Certificate of registration dated May 31, 2012 issued by the Assistant Director General, Telecom Enforcement, Resources and Monitoring (“TERM”), DoT, Pune, GoI for setting up a Domestic OSP Centre at Pune, valid up to May 30, 2022.
2. Certificate of registration dated December 28, 2010 issued by the Assistant Director General, TERM, DoT, Bengaluru, GoI for setting up an International OSP Centre at Bengaluru, valid up to December 27, 2013.
3. Certificate of renewal of registration dated April 5, 2011 issued by Director, TERM-1, DoT, New Delhi, GoI for the existing Domestic OSP Centre at Noida, valid up to January 10, 2027.
4. Certificate of registration dated October 16, 2010 issued by Assistant Director General, TERM, DoT, New Delhi, GoI for setting up an International OSP Centre at Noida, valid up to October 15, 2030.
5. Certificate of registration dated August 23, 2010 issued by the Assistant Director General, TERM,



- DoT, Hyderabad, GoI for setting up a Domestic OSP Centre at Hyderabad, valid up to August 22, 2030.
6. Certificate of registration dated May 18, 2010 issued by the Assistant Director General, TERM, DoT, Ahmedabad, GoI for setting up a Domestic OSP Centre at Ahmedabad, valid up to May 17, 2028.
  7. Certificate of registration dated May 11, 2010 issued by the Assistant Director General, TERM, DoT, Pune, GoI for setting up a Domestic OSP Centre at Pune, valid up to May 10, 2030.
  8. Certificate of registration dated February 15, 2010 issued by the Assistant Director General, TERM, DoT, Chennai, GoI for setting up a Domestic OSP Centre at Chennai, valid up to February 14, 2030.
  9. Certificate of renewal of registration dated February 8, 2010 issued by the Director, TERM, DoT, Kolkata, GoI for the existing Domestic OSP Centre at Kolkata, valid up to February 7, 2030.
  10. Certificate of new registration dated January 11, 2007 issued by the Assistant Director General, TERM, Ministry of Communications, Mumbai, GoI for setting up a Domestic OSP Centre at Mumbai, valid up to January 10, 2020.
  11. Certificate of registration dated January 21, 2010 issued by the Assistant Divisional Engineer, TERM, DoT, Bengaluru, GoI for setting up a Domestic OSP Centre at Bengaluru, valid up to January 20, 2030.
  12. Certificate of new registration dated October 22, 2008 issued by the Assistant Divisional Engineer, TERM, Ministry of Communications, Mumbai, GoI for setting up an International OSP Centre at Mumbai, valid up to January 10, 2020.

**B. Telemarketing Registration**

Certificate of registration dated January 17, 2011 issued by TRAI for registration as a telemarketer for our Company's telemarketing centres at Ahmedabad, Bengaluru, Chandigarh, Chennai, Coimbatore, Hyderabad, Jaipur, Kolkata, Mumbai, Noida and Pune, valid up to January 16, 2014.

**C. Shops and Establishments Registrations**

1. Certificate of registration dated June 2, 2008 issued by the Inspector under the Bombay Shops and Establishments Act, 1948 certifying registration for our office situated at Lingfield Plaza, S. Nos. 67/1, 67/2A, 66A/66A/1B, Salunkhe Vihar Road, Wanwadi, Pune, renewed up to December 31, 2013.
2. Certificate of registration dated August 1, 2012 issued by the Inspector under the Bombay Shops and Establishments Act, 1948 certifying registration for our office situated at 1<sup>st</sup> and 2<sup>nd</sup> Floor, Sharda Chamber, Shankar Sheth Road, Gultekadi, Pune, renewed up to December 31, 2013.
3. Certificate of registration dated February 21, 2007 issued by the Inspector of Shops, Noida under the Uttar Pradesh Dookan Aur Vanuya Adhishthan Adhinyam, 1962 certifying registration for our office situated at A, 39/40, Sector 16, Noida, renewed up to March 31, 2016.
4. Certificate of registration dated March 24, 2011 issued by the Inspector under the Bombay Shops and Establishments Act, 1948 certifying registration for our office situated at 301-A, Building-M, Palm Court Complex, Link Road, Malad West, Mumbai, renewed up to December 31, 2013.
5. Certificate of registration dated July 29, 2010 issued by the Inspector under the Bombay Shops and Establishments Act, 1948 certifying registration for our office situated at 202-B, Palm Court

Complex, New Link Road, Malad (West), Mumbai, renewed up to December 31, 2013.

6. Certificate of registration dated March 17, 2004 issued by the Inspector under the Bombay Shops and Establishments Act, 1948 certifying registration for our office situated at M-501/B, 5<sup>th</sup> floor, Palm Court Building-M, Link Road, Malad (West), Mumbai, renewed up to December 31, 2013.
7. Certificate of registration dated March 30, 2012 issued by the Labour Inspector, Circle-II, Chandigarh certifying registration for our office situated at SCO-60, 61, Top Floor, Sector 34-A, Chandigarh renewed up to March 31, 2014.
8. Certificate of registration dated March 26, 2007 issued by the Deputy Municipal Commissioner, Ahmedabad Municipal Corporation, Ahmedabad certifying registration for our office situated at Unit B, 7<sup>th</sup> Floor, Gujarat Bhavan, Ashram Road, Ahmedabad renewed up to December 31, 2015.
9. Certificate of registration dated July 8, 2005 issued by the Registering Authority under the West Bengal Shops and Establishments Act, 1963 certifying registration for our office situated at No. 703, Godrej Waterside Building, Tower 1, Sector V, Salt Lake City, Kolkata, renewed up to July 7, 2014.
10. Certificate of renewal of registration dated January 30, 2013 issued by the Deputy Commissioner of Labour, Hyderabad-I certifying registration under the Andhra Pradesh Shops and Establishments Act, 1988 for our office situated at 7-1-23, 1<sup>st</sup> and 2<sup>nd</sup> Floor, Roxana Building, Above Meena Bazar Extension, Greenlands, Begumpet, Hyderabad, valid up to December 31, 2013.
11. Certificate of registration dated August 2, 2000 issued by the Inspector under the Karnataka Shops and Commercial Establishments Act, 1961 certifying registration for our office situated at No. 29, SRT Street, Cunningham Road, Bengaluru, renewed up to December 31, 2014.
12. Certificate of registration dated February 19, 2007 issued by the Inspectors, Shops and Commercial Establishments, Jaipur under the Rajasthan Shops and Commercial Establishments Act, 1958 certifying registration for our office situated at 4<sup>th</sup> Floor, Ridhi Tower, SB 57, opposite SMS Stadium, Tonk Road, Jaipur, renewed up to December 31, 2017.

#### **IV. Approvals applied for but not received**

The following approval(s) required to be obtained by our Company in respect of our business in India have been applied for but not received yet:

- Renewal of the certificate of registration under the Bombay Shops and Establishments Act, 1948 for our office situated at 401 and 402, Palm Spring, New Link Road, Malad West, Mumbai.

#### **V. Intellectual Property Related Approvals**

Our Company has obtained and has applied for registrations in respect of the intellectual property created by our Company during the course of its business. We have obtained trademark registrations for 167 of our trademarks and have made applications for registering another 34 trademarks. Further, we have obtained trademark registrations for two of our trademarks in the U.S. We have also obtained six copyright registrations and have made two applications for copyright registration. These trademarks and copyrights are currently registered under the previous names of our Company, A&M Communications Limited and Just Dial Private Limited. Our Company has initiated the process to amend certain of these registrations to reflect the change in name of our Company and proposes to make further applications for such amendment of the remaining registrations.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Offer

The Offer has been authorised by a resolution of the Board of Directors passed at their meeting held on August 11, 2012 as modified by the resolution passed at their meeting held on April 3, 2013.

V.S.S. Mani, Ramani Iyer and V. Krishnan have authorised the transfer of Equity Shares pursuant to the Offer as set out below:

S. No.	Name	Date of authorisation letter	Number of Equity Shares offered for sale
1.	V.S.S. Mani	April 8, 2013	1,557,658
2.	Ramani Iyer	April 8, 2013	618,174
3.	V. Krishnan	April 8, 2013	632,144

Additionally, the other Selling Shareholders have approved the transfer of Equity Shares pursuant to the Offer as set out below:

S. No.	Name of the Selling Shareholder	Date of Board Resolution	Number of Equity Shares offered for sale
1.	Sequoia III	April 3, 2013	3,207,934
2.	SAIF	April 9, 2013	5,951,231
3.	Tiger Global Four JD Holdings	March 25, 2013	2,811,232
4.	Tiger Global Five Indian Holdings	March 25, 2013	1,742,996
5.	EGCS	April 3, 2013	647,793
6.	SAPV	April 3, 2013	328,296

The Selling Shareholders have confirmed that they have held the Equity Shares proposed to be offered and sold in the Offer for more than one year prior to the date of filing of the Draft Red Herring Prospectus and that the Selling Shareholders have not been prohibited from dealings in securities market and the Equity Shares offered and sold are free from any lien, encumbrance or third party rights.

### Prohibition by SEBI or Other Governmental Authorities

Our Company, our Promoters, our Directors, our Promoter Group entities, our Group Companies, persons in control of our Company and the Selling Shareholders, have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies, with which our Promoters, our Directors or persons in control of our Company are or were associated as promoter, directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of our Directors are in any manner associated with the securities market and there has been no action taken by the SEBI against our Directors or any entity in which our Directors are involved as promoters or directors.

### Prohibition by the RBI

Neither our Company, our Promoters, the relatives of our Promoters (as defined under the Companies Act), our Group Companies, nor the Selling Shareholders have been identified as wilful defaulters by the RBI or any other governmental authority. There are no violations of securities laws committed by them in the past or are pending against them.

## Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the Regulation 26(2) of the SEBI Regulations, which states as follows:

- (2) *“An issuer not satisfying the condition stipulated in sub-regulation (1) may make an initial public offer if the issue is made through the book-building process and the issuer undertakes to allot, at least seventy five percent of the net offer to public, to qualified institutional buyers and to refund full subscription money if it fails to make the said minimum allotment to qualified institutional buyers.”*

We are an unlisted company not complying with the conditions specified in Regulation 26(1) of the SEBI Regulations and are therefore required to meet the conditions detailed in Regulation 26(2) of the SEBI Regulations.

- We are complying with Regulation 26(2) of the SEBI Regulations and at least 75% of the Offer is proposed to be Allotted to QIBs and in the event we fail to do so, the full application monies shall be refunded to the Bidders.
- We are complying with Regulation 43(2) of the SEBI Regulations and Non-Institutional Bidders and Retail Individual Bidders will be allocated not more than 15% and 10% of the Offer, respectively.

Hence, we are eligible for the Offer under Regulation 26(2) of the SEBI Regulations.

Further our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 failing which the entire application monies shall be refunded forthwith.

## Disclaimer Clause of SEBI

**AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED AND MORGAN STANLEY INDIA COMPANY PRIVATE LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY AND THE SELLING SHAREHOLDERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED AND MORGAN STANLEY INDIA COMPANY PRIVATE LIMITED, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED AUGUST 13, 2012 WHICH READS AS FOLLOWS:**

**WE, THE LEAD MERCHANT BANKER(S) TO THE ABOVE MENTIONED FORTHCOMING OFFER, STATE AND CONFIRM AS FOLLOWS:**

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO

LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL DOCUMENTS IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID OFFER;

2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:
  - (A) THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;
  - (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
  - (C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 (THE "SEBI REGULATIONS") AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") AND THAT TILL DATE SUCH REGISTRATION IS VALID, EXCEPT THE CERTIFICATE OF REGISTRATION OF KARVY COMPUTERSHARE PRIVATE LIMITED ("KARVY") AS REGISTRAR TO AN ISSUE, GRANTED BY SEBI, HAS EXPIRED ON JULY 31, 2012. KARVY HAS CONFIRMED THAT IT HAS FILED AN APPLICATION WITH SEBI FOR RENEWAL OF ITS CERTIFICATE OF REGISTRATION, IN THE PRESCRIBED MANNER, THREE MONTHS BEFORE THE EXPIRY OF ITS CERTIFICATE OF REGISTRATION. KARVY HAS FURTHER CONFIRMED THAT ITS APPLICATION FOR RENEWAL IS CURRENTLY UNDER PROCESS AND THAT IT HAS NOT RECEIVED ANY COMMUNICATION FROM SEBI REJECTING ITS APPLICATION.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. – NOTED FOR COMPLIANCE
5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.
6. WE CERTIFY THAT REGULATION 33 OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED

**WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS. - NOTED FOR COMPLIANCE**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER. NOT APPLICABLE**
8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY. NOT APPLICABLE**

**AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. - NOTED FOR COMPLIANCE**
10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. NOT APPLICABLE. AS THE OFFER SIZE IS MORE THAN ₹ 100 MILLION, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE TRANSFERRED IN DEMAT ONLY.**
11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**
12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:**
- (A) **AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND**
- (B) **AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.**
13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI REGULATIONS WHILE MAKING THE OFFER. -**

**NOTED FOR COMPLIANCE**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC.**
15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**
16. **WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THIS OFFER)', AS PER FORMAT SPECIFIED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA THROUGH CIRCULAR.**

The filing of the Draft Red Herring Prospectus does not, however, absolve our Company and the Selling Shareholders from any liabilities under section 63 or section 68 of the Companies Act or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed Offer. SEBI further reserves the right to take up at any point of time, with the BRLMs, any irregularities or lapses in the Draft Red Herring Prospectus.

All legal requirements pertaining to the Offer will be complied with at the time of filing of this Red Herring Prospectus with the RoC in terms of section 60B of the Companies Act. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 56, 60 and 60B of the Companies Act.

**Caution - Disclaimer from our Company, the Selling Shareholders and the BRLMs**

Our Company, our Directors, the Selling Shareholders and the BRLMs accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website [www.justdial.com](http://www.justdial.com), would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into between the Underwriters, the Selling Shareholders and our Company. All information shall be made available by our Company, the Selling Shareholders and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Neither our Company, the Selling Shareholders nor any of the BRLMs is liable for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Investors who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not issue, sell, pledge, or transfer the Equity Shares of our Company to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for,

our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

### Price information of past issues handled by the BRLMs

#### 1. Price information of past issues handled by Citi

Sr. No.	Issue Name	Issue Size (₹ mm)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (₹)	Closing Price on Listing Date (₹)	% Change in Price on Listing Date (Closing) vs. Issue Price	Benchmark Index <sup>(1)</sup> on Listing Date (Closing)	Closing Price as on 10th Calendar Day from Listing Day (₹)	Benchmark Index as on 10th Calendar Day from Listing Day (Closing)	Closing Price as on 20th Calendar Day from Listing Day (₹)	Benchmark Index as on 20th Calendar Day from Listing Day (Closing)	Closing Price as on 30th Calendar Day from Listing Day (₹)	Benchmark Index as on 30th Calendar Day from Listing Day (Closing)
1	Multi Commodity Exchange	6,633.05	1,032	9-Mar-12	1,387.00	1,297.05	25.68%	17,503.24	1,290.50	17,273.37	1,249.90	17,058.61	1,288.80	17,486.02
2	L&T Finance Holdings Ltd	12,450.00	52.00 <sup>(3)</sup>	12-Aug-11	51.00	49.95	(3.94%)	16,839.63	44.70	16,341.70	49.65	16,676.75	50.80	16,866.97
3	Coal India Ltd	151,994.40	245.00 <sup>(4)</sup>	4-Nov-10	287.75	342.35	39.73%	20,893.57	319.90	20,156.89	310.45	19,459.85	322.30	19,966.93
4	SKS Microfinance Ltd	16,287.83	985.00 <sup>(5)</sup>	16-Aug-10	1,036.00	1,088.58	10.52%	18,050.78	1,160.51	18,226.35	1,287.85	18,221.43	1,395.25	19,502.11

Source of the information provided in the table above is website of the BSE.

Notes:

- Benchmark index is Sensex.
- In case 10th/20th/30th day is not a trading day, closing price on the BSE of a trading day immediately prior to the 10th/20th/30th day, is considered.
- Issue price for all categories except Eligible Employees bidding under the Employee Reservation Portion and Anchor Investors was ₹52.00 per equity shares. Price for Eligible Employees was ₹50.00 per equity share and Anchor Investors was ₹56.00 per equity share.
- Issue price for all categories except Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion was ₹245.00 per equity share. Price for Retail Individual Bidders and Eligible Employees was ₹232.75 per equity share.
- Issue price for all categories except Retail Individual Bidders was ₹985.00 per equity shares. Price for Retail Individual Bidders was ₹935.00 per equity share.
- Issue price for all categories except Retail Individual Bidders was ₹212.00 per equity shares. Price for Retail Individual Bidders was ₹210.00 per equity share.
- Issue price for all categories except Anchor Investors was ₹58.00 per equity shares. Price for Anchor Investors was ₹60.00 per equity share.

#### 2. Summary statement of price information of past issues handled by Citi

Financial Year	Total no. of IPOs	Total Funds Raised (₹ mm)	Nos. of IPOs trading at Discount on Listing Date			Nos. of IPOs trading at Premium on Listing Date			Nos. of IPOs trading at Discount as on 30th Calendar Day from Listing Day			Nos. of IPOs trading at Premium as on 30th Calendar Day from Listing Day		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2010-2011	2	168,282.23	-	-	-	-	1	1	-	-	1	-	1	-
2011-2012	2	19,083.05	-	-	1	-	1	-	-	-	-	-	-	2
2012-2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-

#### 3. Price information of past issues handled by Morgan Stanley

Sr. No.	Issue Name	Issue size (₹ Mn.)	Issue price (₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar day from listing day (Closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar day from listing day (Closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar day from listing day (Closing)
1	Multi Commodity Exchange of India	6,633.05	1,032.00	9-Mar-12	1,387	1,297.05	25.68%	17,503.24	1,290.5	17,273.37	1,249.9	17,058.61	1,288.8	17,486.02



Sr. No.	Issue Name	Issue size (₹ Mn.)	Issue price (₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar day from listing day (Closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar day from listing day (Closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar day from listing day (Closing)
	Limited													
2	Coal India Ltd	151,994.40	245.00 <sup>(4)</sup>	4-Nov-10	291.00	342.55	39.82%	6,281.80	320.15	6,071.65	310.80	5,865.75	321.95	5,992.80
3	Obero Realty Ltd	10,286.12	260.00	20-Oct-10	271.10	282.90	8.81%	5,982.10	279.05	6,017.70	289.15	6,301.55	262.35	5,890.30
4	Eros International Media Ltd	3,500.00	175.00	6-Oct-10	205.45	190.25	8.71%	6,186.45	175.55	6,062.65	184.00	6,082.00	193.05	6,312.45
5	Jaypee Infratech Ltd	22,576.10	102.00 <sup>(3)</sup>	21-May-10	98.00	91.45	-10.34%	4,931.15	83.50	5,086.30	77.00	5,078.60	85.75	5,262.60

Source of the information provided in the table above is website of the National Stock Exchange of India Limited. Further, the deal size provided in the table above is as per issue prospectus.

Notes:

- The Standard & Poor's CRISIL NSE Index 50 ("Nifty") is considered as the Benchmark Index
- Issue price for all categories except Retail Individual Bidders was ₹ 100.00 per equity share. A discount of ₹ 5.00 per equity share was offered to these Retail Individual Bidders. All calculations are based on Issue Price of ₹ 100.00 per equity share
- Issue price for all categories except Retail Individual Bidders (whose Bid Amount does not exceed ₹ 100,000) was ₹ 102.00 per equity share. A discount of ₹ 5.10 per equity share was offered to these Retail Individual Bidders. All calculations are based on Issue Price of ₹ 102.00 per equity share
- Issue price for all categories except Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion was ₹ 245.00 per equity share. A discount of ₹ 12.25 per equity share was offered to these Retail Individual Bidders and Eligible Employees bidding under the Employee Reservation Portion. All calculations are based on Issue Price of ₹ 245.00 per equity share
- Price on the NSE is considered for all of the above calculations except in case of Multi Commodity Exchange of India Limited ("MCX") which price on the BSE is considered as equity shares of MCX are not listed on the NSE.
- In case 10th/20th/30th day is not a trading day, closing price on the NSE of a trading day immediately prior to the 10th/20th/30th day, as the case may be, is considered

#### 4. Summary statement of price information of past issues handled by Morgan Stanley

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹ Mn.)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30th calendar day from listing day			No. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2010-2011	4	188,356.62	-	-	1	-	1	2	-	-	1	-	1	2
2011-2012	1	6,633.05	-	-	-	-	1	-	-	-	-	-	1	-
2012-2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-

#### Track record of past issues handled by BRLMs

For details regarding the track record of the BRLMs to the Offer as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer to the websites of the BRLMs at <http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm>; and <http://www.morganstanley.com/indiaofferdocuments/disclosure01102012.html>.

#### Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India) and to FIIs, Eligible NRIs, Eligible QFIs and other eligible foreign investors (viz.

FVCIs, multilateral and bilateral development financial institutions). This Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus had been filed with SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

### **IMPORTANT INFORMATION FOR INVESTORS – ELIGIBILITY AND TRANSFER RESTRICTIONS**

As described more fully below, there are certain restrictions regarding the Equity Shares that affect potential U.S. and non-U.S. investors. These restrictions are (i) prohibitions on participation in the Offer by persons in circumstances which would cause our Company to be required to be registered as an investment company under the Investment Company Act and (ii) restrictions on the ownership of Equity Shares by such persons following the offer.

**The Equity Shares have not been and will not be registered under the Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the Securities Act (“U.S. Persons”) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

Until the expiry of 40 days after the commencement of the Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in the Offer) may violate the registration requirements of the Securities Act.

#### **Eligible Investors**

The Equity Shares are being offered and sold (A) in the United States or to, or for the account or benefit of, U.S. Persons, only to persons who

(i) are both “qualified institutional buyers” (as defined in Rule 144A under the Securities Act and referred to in this Red Herring Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Red Herring Prospectus as “QIBs”) and “qualified purchasers” (as defined in Section 2(a)(51) and related rules of the Investment Company Act and referred to in this Red herring Prospectus as “QPs”), in transactions exempt from, or not subject to, the registration requirements of the Securities Act; and

(ii) outside the United States to investors that are not U.S. Persons nor persons acquiring for the account or benefit of U.S. Persons in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur;

and in each case who are deemed to have made the representations set forth immediately below.

#### ***Equity Shares Offered and Sold within the United States or to U.S. Persons***

Each purchaser that is a U.S. Person or acquiring the Equity Shares issued pursuant to this Offer within the United

States, by its acceptance of this Red Herring Prospectus and of the Equity Shares, will be deemed to have acknowledged, represented to and agreed with the Company and the BRLMs that it has received a copy of this Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- (1) the purchaser is authorized to consummate the purchase of the Equity Shares issued pursuant to this Offer in compliance with all applicable laws and regulations;
- (2) the purchaser acknowledges that the Equity Shares issued pursuant to this Offer have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;
- (3) the purchaser (i) is a U.S. QIB and a QP, (ii) is aware that the sale to it is being made in a transaction exempt from or not subject to the registration requirements of the Securities Act, (iii) was not formed for the purpose of investing in the Equity Shares and (iv) is acquiring such Equity Shares for its own account or for the account of a qualified institutional buyer with respect to which it exercises sole investment discretion;
- (4) the purchaser acknowledges that the Company has not registered, and does not intend to register, as an “investment company” (as such term is defined under the Investment Company Act and related rules) and that the Company has imposed the transfer and offering restrictions with respect to persons in the United States and U.S. Persons described herein so that the Company will qualify for the exemption provided under Section 3(c)(7) of the Investment Company Act and will have no obligation to register as an investment company;
- (5) the purchaser understands that, subject to certain exceptions, to be a QP, entities must have U.S.\$25 million in “investments” as defined in Rule 2a51-1 of the Investment Company Act;
- (6) the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;
- (7) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) outside the United States in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the Securities Act and (B) in accordance with all applicable laws, including the securities laws of the States of the United States and under circumstances that will not require the Company to register under the Investment Company Act. The purchaser understands that the transfer restrictions will remain in effect until the Company determines, in its sole discretion, to remove them;
- (8) the Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any such Equity Shares;
- (9) the purchaser will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act;
- (10) the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any “directed selling efforts” as defined in Regulation S under the Securities Act in the United States with respect to the Equity Shares;
- (11) the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless the Company determine otherwise in accordance with applicable law, will bear a legend substantially to the

following effect:

THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

- (12) the purchaser agrees, upon a proposed transfer of the Equity Shares, to notify any purchaser of such Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Equity Shares being sold;
- (13) the purchaser understands and acknowledges that (i) the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; (ii) the Company and its agents may require any U.S. Person or any person within the United States who is required under these restrictions to be a QP but is not a QP at the time it acquires a beneficial interest in the Equity Shares, to transfer the Equity Shares within 30 days to a person or entity who is within the United States or is a U.S. Person, in each case who is a QP, or to a non-U.S. Person in an offshore transaction complying with the provisions of Regulation S; and (iii) if the obligation to transfer is not met, the Company is irrevocably authorized to sell the Equity Shares on an offshore stock exchange on such terms as the directors of the Company think fit and in no event will the Company, its directors, officers, employees or agents, including any broker or dealer, have any liability whatsoever to the purchaser by reason of any act or failure to act by any person authorized by the Company in connection with the foregoing; and
- (14) the purchaser acknowledges that the Company, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

***All Other Equity Shares Offered and Sold in this Offer***

Each purchaser that is a non-U.S. Person and acquiring the Equity Shares sold pursuant to this Offer outside the United States, by its acceptance of this Red Herring Prospectus and of the Equity Shares sold pursuant to this Offer, will be deemed to have acknowledged, represented to and agreed with the Company and the BRLMs that it has received a copy of this Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- (1) the purchaser is authorized to consummate the purchase of the Equity Shares sold pursuant to this Offer in compliance with all applicable laws and regulations;
- (2) the purchaser acknowledges that the Equity Shares issued pursuant to this Offer have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;
- (3) the purchaser is purchasing the Equity Shares issued pursuant to this Offer in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the Securities Act;
- (4) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity

Shares issued pursuant to this Offer, is a non-U.S. Person and was located outside the United States at each time (i) the offer was made to it and (ii) when the buy order for such Equity Shares was originated, and continues to be a non-U.S. Person and located outside the United States and has not purchased such Equity Shares for the account or benefit of any U.S. Person or any person in the United States or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any U.S. Person or any person in the United States;

- (5) the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;
- (6) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) outside the United States in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the Securities Act and (B) in accordance with all applicable laws, including the securities laws of the States of the United States and under circumstances that will not require the Company to register under the Investment Company Act. The purchaser understands that the transfer restrictions will remain in effect until the Company determines, in its sole discretion, to remove them, and confirms that the proposed transfer of the Equity Shares is not part of a plan or scheme to evade the registration requirements of the Securities Act or the Investment Company Act;
- (7) the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any “directed selling efforts” as defined in Regulation S under the Securities Act in the United States with respect to the Equity Shares;
- (8) the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless the Company determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.
- (9) the purchaser agrees, upon a proposed transfer of the Equity Shares, to notify any purchaser of such Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Equity Shares being sold;
- (10) the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and
- (11) the purchaser acknowledges that the Company, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Each person in a Member State of the EEA which has implemented the Prospectus Directive (each, a “Relevant Member State) who receives any communication in respect of, or who acquires any Equity Shares under, the offers contemplated in this Red Herring Prospectus will be deemed to have represented, warranted and agreed to and with each Underwriter and the Company that:

1. it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and
2. in the case of any Equity Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the Equity Shares acquired by it in the placement have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Underwriters has been given to the offer or resale; or (ii) where Equity Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Equity Shares to it is not treated under the Prospectus Directive as having been made to such persons.

For the purposes of this provision, the expression an “offer of Equity Shares to the public” in relation to any of the Equity Shares in any Relevant Member States means the communication in any form and by any means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

#### **Disclaimer Clause of the BSE**

BSE has given, vide its letter dated October 11, 2012, permission to our Company to use BSE’s name in this offer document as one of the stock exchanges on which our Company’s securities are proposed to be listed. The BSE has scrutinised the offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to our Company. The BSE does not in any manner:

- a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- b) warrant that our Company’s securities will be listed or will continue to be listed on BSE; or
- c) take any responsibility for the financial or other soundness of our Company, its promoters, its management or any scheme or project of our Company;

and it should not for any reason be deemed or construed to mean that this offer document has been cleared or approved by the BSE. Every person who desires to apply for or otherwise acquires any securities of our Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

#### **Disclaimer Clause of the NSE**

As required, a copy of this offer document had been submitted to NSE. NSE has given vide its letter ref.: NSE/LIST/181837-7 dated September 24, 2012 permission to the Issuer to use NSE’s name in the offer document as one of the stock exchanges on which the Issuer’s securities are proposed to be listed. The NSE has scrutinised the draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the offer document; nor does it warrant that the Issuer’s securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of the Issuer, its promoters, its management or any scheme or project of the Issuer.

Every person who desires to apply for or otherwise acquire any securities of the Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition

whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

### **Disclaimer Clause of MCX-SX**

MCX-SX has given vide its letter dated April 12, 2013, permission to our Company to use MCX-SX's name in this offer document as one of the stock exchanges on which our Company's securities are proposed to be listed. MCX-SX has scrutinised this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to our Company.

It is to be distinctly understood that the aforesaid permission given by MCX-SX should not in any way be deemed or construed that the offer document has been cleared or approved by MCX-SX. MCX-SX does not in any manner:

- a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- b) warrant that our Company's securities will be listed or will continue to be listed on MCX-SX; or
- c) take any responsibility for the financial or other soundness of our Company, our Promoters, our Company's management or any scheme or project of our Company.

Every person who desires to apply for or otherwise acquires any securities of our Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against MCX-SX whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

### **Filing**

A copy of the Draft Red Herring Prospectus has been filed with the SEBI at Corporation Finance Department, Plot No.C4-A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.

A copy of this Red Herring Prospectus, along with the documents required to be filed under section 60B of the Companies Act, would be delivered for registration to the RoC and a copy of the Prospectus to be filed under section 60 of the Companies Act would be delivered for registration with the RoC at the Office of the Registrar of Companies, Everest 5<sup>th</sup> Floor, 100, Marine Drive, Mumbai 400 002.

### **Listing**

Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. The NSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company and the Selling Shareholders will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Red Herring Prospectus. If such money is not repaid within eight days after our Company and the Selling Shareholder become liable to repay it, then our Company, the Selling Shareholders and every Director of our Company who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest at the rate of 15.00% per annum on application money, as prescribed under section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within 12 Working Days of the Bid/ Offer Closing Date. Further, the Selling Shareholders confirm that all steps, as may be reasonably required and necessary, will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within 12 Working Days of the Bid/Offer Closing Date.

## **Consents**

Consents in writing of: (a) our Directors, our Company Secretary and Compliance Officer, the statutory auditors, the legal advisors, the Bankers to the Offer, the Bankers to our Company, and (b) the BRLMs, the Escrow Collection Bankers, the Registrar to the Offer and the IPO Grading Agency to act in their respective capacities, have been obtained and will be filed along with a copy of this Red Herring Prospectus with the RoC as required under Sections 60 and 60B of the Companies Act and such consents shall not be withdrawn up to the time of delivery of this Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act and SEBI Regulations, S. R. Batliboi & Associates LLP, our Company's statutory auditors, have given their written consent to the inclusion of their auditors reports dated April 3, 2013 on the restated unconsolidated summary statements and August 8, 2012 on the restated consolidated summary statements and the statement of the tax benefits dated April 17, 2013 included in this Red Herring Prospectus and such consent shall not be withdrawn up to the time of delivery of this Red Herring Prospectus for registration with the RoC.

## **Expert to the Offer**

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Auditor namely, S.R. Batliboi & Associates LLP to include its name as an expert under Section 58 of the Companies Act in this Red Herring Prospectus in relation to the reports of the Auditor dated April 3, 2013 on the restated unconsolidated summary statements and August 8, 2012 on the restated consolidated summary statements and the statement of tax benefits dated April 17, 2013 included in this Red Herring Prospectus and such consent shall not be withdrawn up to the time of delivery of this Red Herring Prospectus for registration with the RoC. However, the term "expert" shall not be construed to mean an "expert" as defined under the Securities Act.

CRISIL, the IPO Grading Agency engaged by us for the purpose of obtaining IPO grading in respect of this Offer, has given its written consent as an expert to the inclusion of its report in the form and context in which it appears in this Red Herring Prospectus and such consent and report has not been and will not be withdrawn up to the time of delivery of this Red Herring Prospectus and Prospectus for registration with the RoC.

## **Offer Related Expenses**

The expenses of this Offer include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. For further details of Offer related expenses, please see "Objects of the Offer" on page 108.

All expenses relating to the Offer as mentioned above will be shared between the Selling Shareholders.

## **Fees Payable to the BRLMs**

The total fees payable to the BRLMs (including underwriting commission and selling commission and reimbursement of their out-of-pocket expense) will be as per the Engagement Letter, a copy of which is available for inspection at the Registered Office.

## **Commission payable to the Registered Brokers**

For details of the commission payable to the Registered Brokers, please see "Objects of the Offer" on page 108.

## **Fees Payable to the Registrar to the Offer**

The fees payable by the Selling Shareholders to the Registrar to the Offer for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as stated in Memorandum of Understanding dated August 13, 2012 signed among our Company, the Registrar to the



Offer and the Selling Shareholders, a copy of which is available for inspection at the Registered Office.

The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Offer to enable it to send refund in any of the modes described in this Red Herring Prospectus or Allotment Advice by registered post/speed post.

#### **Underwriting commission, brokerage and selling commission on Previous Issues**

Since this is an initial public offering of our Company, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of our Company.

#### **Particulars regarding Public or Rights Issues by our Company during the last Five Years**

Our Company has not made any public or rights issues during the five years preceding the date of this Red Herring Prospectus.

#### **Previous issues of Equity Shares otherwise than for cash**

Except as disclosed in the section “Capital Structure” on page 78, our Company has not issued any Equity Shares for consideration otherwise than for cash.

#### **Previous capital issue during the previous three years by listed Group Companies and associates of our Company**

None of the Group Companies of our Company are listed on any stock exchange.

#### **Performance vis-à-vis objects – Public/Rights Issue of our Company and/or listed Group Companies and associates of our Company**

Our Company has not undertaken any previous public or rights issue. None of the Group Companies or associates of our Company are listed on any stock exchange.

#### **Outstanding Debentures or Bonds**

Our Company does not have any outstanding debentures or bonds as of the date of filing this Red Herring Prospectus.

#### **Outstanding Preference Shares**

Our Company does not have any outstanding preference shares as on date of this Red Herring Prospectus.

#### **Stock Market Data of Equity Shares**

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange.

#### **Mechanism for Redressal of Investor Grievances**

The Memorandum of Understanding between the Registrar to the Offer, our Company and the Selling Shareholders provides for the retention of records with the Registrar to the Offer for a period of at least three years from the last date of despatch of the letters of Allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances relating to the Offer may be addressed to the Registrar to the Offer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or

collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB with a copy to the relevant BRLM with whom the Bid cum Application Form was submitted by the ASBA Bidder, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidders.

#### **Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be 15 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted a Shareholders' Grievances Committee comprising Sanjay Bahadur, V.S.S. Mani and Ramani Iyer as members.

Our Company has also appointed Sachin Jain, Company Secretary of our Company, as the Compliance Officer for this Offer and he may be contacted in case of any pre-Offer or post-Offer related problems at the following address:

#### **Sachin Jain**

*Compliance Officer and Company Secretary*

Just Dial Limited

Palm Court, Building-M, 501/B, 5<sup>th</sup> Floor

Besides Goregaon Sports Complex, New Link Road

Malad (West), Mumbai 400 064

Tel : (91 22) 2888 4060

Fax: (91 22) 2882 3789

Email: investors@justdial.com

#### **Changes in Statutory Auditors**

There have been no changes in the statutory auditors of our Company during the last three years.

#### **Capitalisation of Reserves or Profits**

Our Company has not capitalised its reserves or profits at any time during the last five years, except as stated in the section "Capital Structure" on page 78.

#### **Revaluation of Assets**

Our Company has not re-valued its assets in the last five years.

## SECTION VII: OFFER INFORMATION

### TERMS OF THE OFFER

The Equity Shares being offered pursuant to the Offer shall be subject to the provisions of the Companies Act, the Memorandum and Articles of Association, the terms of this Red Herring Prospectus and the Prospectus, the Bid cum Application Form, the Revision Form, the CAN and other terms and conditions as may be incorporated in the Allotment Advices and other documents/ certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital, and listing and trading of securities issued from time to time by SEBI, the Government, Stock Exchanges, RoC, the RBI and/or other authorities, as in force on the date of the Offer and to the extent applicable, or such other conditions as may be prescribed by SEBI, the RBI and/or any other regulatory authorities while granting its approval for the Offer.

#### Ranking of Equity Shares

The Equity Shares being offered pursuant to the Offer shall be subject to the provisions of the Companies Act and the Memorandum of Association and Articles of Association and shall rank *pari passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees, upon Allotment of Equity Shares under this Offer, will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please see the section “Main Provisions of Articles of Association” on page 427.

#### Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to its shareholders in accordance with the provisions of the Companies Act and the Memorandum and Articles of Association. For further details in relation to dividends, please see the section “Dividend Policy” and “Main Provisions of the Articles of Association” on pages 186 and 427, respectively.

#### Face Value and Offer Price

The face value of the Equity Shares is ₹ 10 each as of December 31, 2012. The face value of the Equity Shares has remained unchanged since December 31, 2012 and the Offer Price is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band, the minimum Bid Lot size and rupee amount of the Retail Discount for the Offer will be decided by our Company and the Selling Shareholders in consultation with the BRLMs and advertised in: (i) Mumbai, Pune, Ahmedabad, New Delhi, Lucknow, Chandigarh, Kolkata, Chennai, Kochi, Bengaluru and Hyderabad editions of English national newspaper Financial Express; (ii) New Delhi, Kolkata, Lucknow and Chandigarh editions of Hindi national newspaper Jansatta; and (iii) Mumbai edition of the Marathi regional language newspaper Navshakti, each with wide circulation, at least five Working Days prior to the Bid/ Offer Opening Date and such advertisement shall be available on the websites of the Stock Exchanges.

At any given point of time there shall be only one denomination of the Equity Shares.

#### Retail Discount

A discount of 10% to the Floor Price is being offered to Retail Individual Bidders. The rupee amount of the Retail Discount will be decided by our Company and the Selling Shareholders in consultation with the BRLMs and will be advertised at least five Working Days prior to the Bid/Offer Opening Date.

#### Compliance with SEBI Regulations

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

## **Rights of the Equity Shareholder**

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreement executed with the Stock Exchanges and the Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/split, please see the section “Main Provisions of Articles of Association” beginning on page 427.

## **Market Lot and Trading Lot**

In terms of section 68B of the Companies Act, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Offer will be only in electronic form in multiples of one (1) Equity Share subject to a minimum Allotment of [•] Equity Shares.

## **Jurisdiction**

Exclusive jurisdiction for the purpose of this Offer is with the competent courts/authorities in Mumbai.

**The Equity Shares have not been and will not be registered under the Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the Securities Act (“U.S. Persons”) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered or sold only to (i) persons who are both “qualified purchasers” as defined in the Investment Company Act (referred to in this Red Herring prospectus as “QPs”) and “qualified institutional buyers” (as defined in Rule 144A under the Securities Act and referred to in this Red Herring Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Red Herring Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the Securities Act, and (ii) non-U.S. Persons outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

**Each purchaser of Equity Shares that is located within the United States or who is a U.S. person, or who has acquired the Equity Shares for the account or benefit of a U.S. Person will be required to represent and agree, among other things, that such purchaser (i) is a U.S. QIB and a QP; and (ii) will only reoffer, resell, pledge or otherwise transfer the Equity Shares in an “offshore transaction” in accordance with Rule 903 or Rule 904 of Regulation S and under circumstances that will not require the Company to register under the Investment Company Act.**

**Each other purchaser of Equity Shares will be required to represent and agree, among other things, that such purchaser is a non-U.S. person acquiring the Equity Shares in an “offshore transaction” in accordance with Regulation S.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**See the section, “Other Regulatory And Statutory Disclosures—Important Information for Investors—Eligibility and Transfer Restrictions on page 360.”**

### **Nomination Facility to Investor**

In accordance with section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office/Corporate Office of our Company or to the registrar and transfer agent of our Company.

In accordance with section 109B of the Companies Act, any person who becomes a nominee by virtue of section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective depository participant.

### **Minimum Subscription**

In terms of the SEBI Regulations, the requirement for minimum subscription is not applicable to the Offer.

However, our Company is required to Allot Equity Shares constituting at least 25% of the post-Offer capital. In the event such minimum Allotment is not made in this Offer, our Company and the Selling Shareholders shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days from the date on which our Company and the Selling Shareholders becomes liable to pay the amount, our Company and the Selling Shareholders shall pay interest as prescribed under Section 73 of the Companies Act.

If at least 75% of the Offer is not Allotted to QIBs, the entire application money shall be refunded forthwith.

Further, we shall ensure that the number of prospective Allotees to whom Equity Shares will be Allotted shall not be

less than 1,000. **The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction, except in compliance with the applicable laws of such jurisdiction.** Any expense incurred by our Company on behalf of the Selling Shareholders with regard to refunds, interest for delays, etc., for the Equity Shares being offered in the Offer, will be reimbursed by the Selling Shareholders to our Company.

#### **Arrangement for disposal of Odd Lots**

There are no arrangements for disposal of odd lots.

#### **Restriction on transfer of Equity Shares**

Except for lock-in of the pre-Offer Equity Shares, the Promoter's minimum contribution and the Anchor Investor lock-in in the Offer as detailed in the section "Capital Structure" on page 78, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of Equity Shares and on their consolidation or split, except as provided in the Articles of Association. For further details, please see the section "Main Provisions of the Articles of Association" on page 427.

## **SAFETY NET ARRANGEMENT**

### **Safety Net Scheme**

V.S.S. Mani, Ramani Iyer and V. Krishnan (collectively, the “Safety Net Providers”) will provide a safety net arrangement (“Safety Net”) as described in this section to eligible original Retail Individual Bidders who have been Allotted Equity Shares in the Offer and who are resident in India (as defined under FEMA) (the “Retail Individual Allottees”) (the “Safety Net Scheme”). The Safety Net Scheme will operate for a period of 180 days beginning from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges (the “Safety Net Period”).

The Safety Net shall be triggered, on the completion of the Safety Net Period, if the Safety Net Trigger Price (as defined below) is lower than the price at which the Equity Shares were Allotted to the Retail Individual Allottees (“Retail Offer Price”) in the Offer (the “Safety Net Trigger”). On the occurrence of the Safety Net Trigger, the Safety Net Providers will make an invitation to the Eligible Allottees (as hereinafter defined) to offer to sell the Equity Shares Allotted to them in the Offer (“IPO Equity Shares”), which continue to be held since the initial allotment in the Offer, as determined on the basis of the LIFO Method (as defined below) (the “Eligible Equity Shares”) to the Safety Net Providers at the Retail Offer Price.

The “Safety Net Trigger Price” shall mean the volume-weighted average market price of the Equity Shares during the 60 trading days preceding the Relevant Date, where the “Relevant Date” shall be the last day of the Safety Net Period. The “volume-weighted average market price” will be calculated by multiplying the number of Equity Shares traded on the relevant stock exchange with the price of each Equity Share and dividing this amount by the total number of Equity Shares traded on the relevant stock exchange. For this purpose, the “relevant stock exchange” shall be the stock exchange where the maximum volume of trading in the Equity Shares is recorded during the 60 trading days preceding the Relevant Date.

On occurrence of the Safety Net Trigger, the BRLMs shall ensure that a public announcement intimating the occurrence of the Safety Net Trigger is made by the Safety Net Providers within one Working Day from the expiry of the Safety Net Period (the “Trigger Intimation”). Thereafter, the BRLMs shall ensure that a public notice inviting Eligible Allottees to tender the Eligible Equity Shares for sale to the Safety Net Providers pursuant to the Safety Net Scheme is issued by the Safety Net Providers within five Working Days from the expiry of the Safety Net Period (the “Safety Net Notice”). The Safety Net Notice shall specify the Safety Net Trigger Price, the Tender Period (as defined below) for purchase of the Eligible Equity Shares by the Safety Net Providers and the procedure for participation by the Eligible Allottees in the Safety Net Scheme. The Trigger Intimation and the Safety Net Notice shall be published in: (i) Mumbai, Pune, Ahmedabad, New Delhi, Lucknow, Chandigarh, Kolkata, Chennai, Kochi, Bengaluru and Hyderabad editions of English national newspaper Financial Express; (ii) New Delhi, Kolkata, Lucknow and Chandigarh editions of Hindi national newspaper Jansatta; and (iii) Mumbai edition of the Marathi regional language newspaper Navshakti, each with wide circulation, as well as through the Stock Exchanges.

### **Eligibility**

#### *1. Eligible Allottees*

The Safety Net Scheme will be available only to Retail Individual Allottees (or their nominees in accordance with section 109 A of the Companies Act) who continue to hold all or a portion of the IPO Equity Shares Allotted to them as at the Relevant Date and who are persons resident in India (as defined under FEMA) : (i) at the time of submission of Bids; (ii) on the date of Allotment; (iii) on the occurrence of the Safety Net Trigger; and (iv) at the time of submission of the forms for tendering Equity Shares under the Safety Net Scheme (“Tender Forms”), (the “Eligible Allottees”, as determined on the basis of the LIFO Method). Eligible Allottees should ensure that all the Equity Shares held by them are held in dematerialized form and their respective Demographic Details are updated, true and correct in all respects, based on which the Registrar will determine whether such Retail Individual Allottees are persons resident in India.

**The Safety Net Scheme is not available to Bidders who have been Allotted Equity Shares in the QIB category, Non-Institutional Bidder category and to QFIs and NRIs who are Allotted Equity Shares in the Retail Individual Bidders category.**

2. *Eligible Equity Shares*

IPO Equity Shares Allotted to the Retail Individual Allottees which have not been transferred or sold by the Retail Individual Allottees on or prior to the Relevant Date and which continue to be held by the Eligible Allottees as at the Relevant Date, as determined on the basis of the LIFO Method, shall be eligible for being tendered under the Safety Net Scheme.

For the purpose of determining whether an Eligible Allottee has sold his/her IPO Equity Shares, the ‘last in first out’ method (the “LIFO Method”) shall be followed. In terms of the LIFO Method, the Equity Shares which have been purchased the last would be first adjusted towards any subsequent sale by the relevant Retail Individual Allottee. Accordingly, the Equity Shares eligible to be tendered towards the Safety Net Mechanism by a Retail Individual Allottee, i.e., the Eligible Equity Shares, shall be the lowest number of Equity Shares held by a Retail Individual Allottee at any point in time during the Safety Net Period. For the avoidance of doubt, if no Equity Shares are held by any Retail Individual Allottee at any point of time during the Safety Net Period, the lowest number of Eligible Equity Shares shall be Nil. If a Retail Individual Allottee sells all the IPO Equity Shares Allotted to him and, thereafter, undertakes any purchase of the Equity Shares, then such Retail Individual Allottee would not be able to tender any Equity Shares under the Safety Net Scheme. The following examples illustrate the LIFO Method:

Allottees	No. of Equity Shares Allotted	No. of Equity Shares purchased/ (sold) on or prior to the Relevant Date	No. of Equity Shares held at the end of the trading day on the Relevant Date	No. of Eligible Equity Shares
A.	100	-	100	100
B.	100	(50)	50	50
C.	100	100	200	100
D.	100	(100)	Nil	Nil
E.	100	Sale of (100) Equity Shares followed by a purchase of 100 Equity Shares	100	Nil
F.	100	Purchase of 100 Equity Shares followed by sale of (100) Equity Shares	100	100
G.	100	Purchase of 100 Equity Shares followed by sale of (150) Equity Shares	50	50
H.	100	Purchase of 50 Equity Shares followed by sale of (70) Equity Shares followed by purchase of 30 Equity Shares	110	80



The Registrar shall, on a daily basis, monitor the transactions in the Equity Shares made by the Retail Individual Allottees during the Safety Net Period, on the basis of the PAN of the Retail Individual Allottees for the purpose of ascertaining the number of Eligible Equity Shares for the Safety Net Scheme.

### **Process of Tendering Eligible Equity Shares under the Safety Net Scheme**

1. The period for tendering the Eligible Equity Share under the Safety Net Scheme shall be open for a period of 10 Working Days commencing from the expiry of five Working Days after the date of publication of the Safety Net Notice (the “Tender Period”). The Eligible Allottees can tender their Eligible Equity Shares under the Safety Net Scheme by submitting the Tender Form duly signed and completed, along with a copy of the delivery instructions in “off–market” mode or counterfoil of the delivery instruction in “off–market” mode, duly acknowledged by the DP in favour of the Safety Net Demat Account (as defined hereinafter).
2. The Registrar will dispatch Tender Form(s) to each Eligible Allottee through registered post at the address appearing in the Demographic Details of such Eligible Allottee received from the Depositories. Eligible Allottees are advised to update the details of their address as appearing in the records of the Depositories. Please note that the terms and conditions mentioned herein are subject to the contents of the Tender Form and the Safety Net Notice and in case of any inconsistency between the terms mentioned herein and those mentioned in the Tender Form and the Safety Net Notice, the terms and conditions in the Tender Form and the Safety Net Notice shall prevail.
3. The Tender Forms shall also be available on the websites of the Company, the Registrar and the Stock Exchanges and will be available at the Registered Office of the Company and at the office of the Registrar at Karvy Computershare Private Limited, Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad 500 081.
4. Eligible Allottees holding Eligible Equity Shares in multiple demat accounts shall be sent a separate Tender Form for each such demat account. Such Eligible Allottees should ensure that separate Tender Forms are submitted for Eligible Equity Shares held in different demat accounts. Please note that a single Tender Form should not be used to tender Eligible Equity Shares held in different demat accounts failing which all such Tender Forms shall be rejected
5. The duly signed and completed Tender Form along with a copy of the delivery instructions in “Off–market” mode or counterfoil of the delivery instruction in “off–market” mode, duly acknowledged by the DP in favour of the Safety Net Demat Account shall be sent by the Eligible Allottees through registered post, at their own risk and cost, to the address of the Registrar at Karvy Computershare Private Limited, Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad 500 081. The details of the Safety Net Demat Account will be included in the Tender Form and Safety Net Notice.
6. The Tender Forms should reach the Registrar on or prior to 5:30 p.m. on the last day of the Tender Period (the “Designated Time”). The credit of the Eligible Equity Shares into the Safety Net Demat Account should be submitted to the Registrar only and should have been completed on or prior to the Designated Time. Please note that the Tender Forms should not be sent to the BRLMs, the Company or any of the Safety Net Providers. **Tender Forms sent/submitted to the BRLMs or the Company or any of the Safety Net Providers shall be rejected.**
7. Eligible Allottees shall ensure that the signature on the Tender Form matches with the signature appearing in the records of the Depositories. Any Tender Form containing signature that does not match with the signature appearing in the records of the Depositories shall be rejected.
8. In case of Eligible Equity Shares held jointly, the Tender Form should contain the names of all holders in the same sequence as appearing in the beneficiary account held in joint names. The signature of all such holders would be required in the Tender Form. All payments will be made out in favour of the first holder whose name appears in the Tender Form. All communications will be addressed to the first holder and will be dispatched to his or her address as appearing in the Demographic Details received from the Depositories.

## **Processing of Tender Forms and settlement of the Safety Net arrangement**

1. On completion of the Tender Period, the Registrar shall scrutinise the Tender Forms received and match each Tender Form for the corresponding credit of Eligible Equity Shares into the Safety Net Demat Account. In the event Eligible Equity Shares have been credited to the Safety Net Demat Account from an Eligible Allottee without receiving the duly signed Tender Form from such Eligible Allottee on or prior to the Designated Time, such Eligible Equity Shares will not be considered for purchase under the Safety Net Scheme. The Registrar shall transfer such Eligible Equity Shares to the demat account of the Eligible Allottee from which the credit was made to the Safety Net Demat Account. In the event that a Tender Form is received without receiving the corresponding credit of Eligible Equity Shares into the Safety Net Demat Account on or prior to the Designated Time, such Tender Form shall be considered invalid and will be rejected.
2. The Registrar shall generate a list of Eligible Allottees who have validly tendered their Eligible Equity Shares, along with the total number of Equity Shares that are eligible for purchase under the Safety Net Scheme from each Eligible Allottee. The Registrar shall also prepare a list of Retail Individual Allottees whose Tender Forms have been rejected. The Registrar will notify the Retail Individual Allottees the reasons for rejection of their tender under the Safety Net Scheme.
3. The payment instruction for the consideration payable to the Eligible Allottees who have validly tendered their Eligible Equity Shares will be made to their respective bank accounts, as appearing in the Demographic Details received from the Depositories, within 12 Working Days from the last day of the Tender Period. The Retail Individual Allottees whose Tender Forms have been rejected will receive credit of their Equity Shares (if applicable) into their demat account within 12 Working Days from the last day of the Tender Period.
4. In the event that the Registrar determines from the Tender Form submitted by an Eligible Allottee, that only a portion of Equity Shares tendered are eligible for purchase under the Safety Net Scheme, such Eligible Allottee will receive: (i) consideration for the Equity Shares that are eligible for purchase under the Safety Net Scheme into his/her bank account, as appearing in the Demographic Details received from the Depositories, within 12 Working Days from the last day of the Tender Period; and (ii) the balance Equity Shares, that are not eligible for purchase under the Safety Net Scheme, into his/her demat account within 12 Working Days from the last day of the Tender Period.
5. The bank account details of the Eligible Allottees available from the Demographic Details received from the Depositories would be used for sending payment instructions for the consideration for the Eligible Equity Shares. Hence, Eligible Allottees should always keep updated their bank account details appearing on the records of the Depository Participant. Please note that failure to do so could result in delays or failure in credit of consideration to Eligible Allottees and none of the BRLMs, the Safety Net Providers, the Registrar or the Safety Net Escrow Bank shall have any responsibility or liability for such delay or failure.
6. The Registrar shall dispatch a settlement advice to each Eligible Allottee from whom Equity Shares have been purchased under the Safety Net Scheme. The settlement advice shall indicate details of: (i) the number of Equity Shares that have been purchased from the Eligible Allottee under the Safety Net Scheme; (ii) payment instructions for the consideration payable to the Eligible Allottee; and (iii) any Equity Shares tendered which were not considered for purchase under the Safety Net Scheme and have been returned, along with reasons for rejection.

## **Safety Net Escrow Account and Safety Net Amount**

The Safety Net Providers shall open the Safety Net Escrow Account with the Safety Net Escrow Bank for the purpose of depositing the Safety Net Amount, i.e., the amount calculated by multiplying the aggregate number of IPO Equity Shares Allotted to Retail Individual Allottees with the Retail Offer Price. The Safety Net Amount shall be deposited into the Safety Net Escrow Account immediately upon the receipt of the final listing and trading approvals from the Stock Exchanges. The Safety Net Escrow Bank shall create interest-bearing term deposits of the Safety Net Amount. A fixed charge shall be created in favour of the BRLMs on the amounts in the Safety Net Escrow Account and the term deposits.

The Safety Net Amount in the Safety Net Escrow Account, or the term deposits, as the case may be, will be reduced, on a monthly basis, to the extent of the sale of the IPO Equity Shares by Retail Individual Allottees as calculated by the Registrar to the Offer in accordance with the LIFO Method. However, an additional 15% of the Safety Net Amount over and above such reduced amount mentioned above would be maintained in the Safety Net Escrow Account or as a term deposit, as the case may be, for the entire duration of the Safety Net Period. Provided, however, that the total amount maintained in the Safety Net Escrow Account at any given point of time shall not exceed 100% of the Safety Net Amount.

The payment instruction for the consideration payable to the Eligible Allottees who have validly tendered their Eligible Equity Shares under the Safety Net Scheme, shall be made to their respective bank accounts as appearing in the Demographic Details received from the Depositories, from the Safety Net Escrow Account.

### **Modes of Payment of Consideration**

The payment of consideration to Eligible Allottees would be done electronically through any of the following modes:

1. NECS – Payment of consideration would be done through NECS for Eligible Allottees having an account at any of the centres where such facility has been made available. This mode of payment of consideration would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories.
2. Direct Credit – Eligible Allottees having bank accounts with the Safety Net Escrow Bank, as per the Demographic Details received from the Depositories, shall be eligible to receive consideration through direct credit.
3. NEFT – Payment of consideration shall be undertaken through NEFT wherever the Eligible Allottee's bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a MICR, if any, available to that particular bank branch. IFSC will be obtained from the website of the RBI as on a date immediately prior to the date of payment of consideration, duly mapped with MICR numbers. Wherever the Eligible Allottees have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC of that particular bank branch and the payment of refund will be made to the Eligible Allottees through this method.

In the event (i) of failure of the initial payment of consideration made electronically (through any of the modes mentioned above) to any Eligible Allottee, or (ii) if an electronic transfer is not possible, then the consideration payable to such Eligible Allottee will be despatched through registered post in the form of a demand draft drawn on the Safety Net Escrow Bank. Bank charges, if any, for cashing such demand drafts at other centres will be payable by the Eligible Allottees.

In the event of non-encashment of the demand draft by an Eligible Allottee, the Registrar shall, upon the expiry of the validity of such demand draft, issue a reminder notice to the Eligible Allottee specifying (i) the details of the demand draft, including the date of despatch thereof; and (ii) the amount of consideration payable to such Eligible Allottee.

However, please note that the obligation of the Safety Net Providers and the BRLMs under the Safety Net Scheme shall be deemed to have completed upon making the payment instruction for the initial electronic payment of consideration into the respective bank accounts of the Eligible Allottees, in accordance with the Demographic Details received from the Depositories. The despatch of demand drafts to the Eligible Allottee through registered post shall be at the sole risk of such Eligible Allottee. Neither the Safety Net Providers nor the BRLMs shall be liable to compensate the Eligible Allottee for any losses caused due to any delay or failure in receipt of the demand draft or to pay any interest for such delay or failure.

### **Information for Eligible Allottees**

- The Safety Net will only be available to the Eligible Allottees.
- Instructions for tendering of Equity Shares or Tender Forms once submitted will not be revocable for any reason whatsoever.
- The Equity Shares acquired pursuant to the Safety Net Scheme will not be subject to any lock-in. Each of the Safety Net Providers, or any other transferee, shall have the right to transfer the Equity Shares acquired pursuant to the Safety Net Scheme in his name or in his nominee's name and/or to sell and dispose of the same to any person at his sole discretion, at any time, whether on the Stock Exchange or otherwise, at whatever price and on such terms and conditions as it thinks fit, subject to the provisions of the Companies Act and other applicable laws.
- Any Eligible Allottee tendering his/her Equity Shares under the Safety Net Scheme shall give and shall be deemed to have represented and warranted to the Safety Net Provider or such other transferee, that it is the legal and beneficial owner of, and has good and valid title to, the Equity Shares tendered under the Safety Net Scheme, and has the legal right and power to sell and transfer full legal and beneficial interest in the Equity Shares and that these Equity Shares shall be free from claims, liens, charges and encumbrances, of whatsoever nature, and if any defect is subsequently found, such Eligible Allottee shall indemnify the Safety Net Providers or their respective nominees, or other transferee, for any loss or damages arising on account thereof.
- Pursuant to the SEBI Circular (No. Cir/ISD/3/2011) dated June 17, 2011, the Equity Shares being tendered by the Eligible Allottees pursuant to the Safety Net Scheme should be held in dematerialized form only.
- Any Equity Shares that are the subject matter of litigation or are held in abeyance due to pending litigation / attachment orders from other statutory authorities, wherein the Eligible Allottee may be precluded or prevented from transferring the Equity Shares during the pendency of such litigation / attachment orders, are liable to be rejected if appropriate directions / orders regarding the free transferability of such Equity Shares tendered under the Safety Net Scheme are not received prior to the Designated Time.
- Incomplete Tender Forms, including non-submission of necessary enclosures, if any, are liable to be rejected. Further, in case the documents submitted are incomplete and/or if they have any defect or modifications, the Tender Form is liable to be rejected.
- The Safety Net Providers will not be responsible in any manner for any loss incurred by Eligible Allottees under the Safety Net Scheme on account of delayed / non-delivery / misplacement of documents or Tender Forms during transit.
- Equity Shares to the extent not accepted under the Safety Net Scheme will be credited back to the beneficial owners' demat account with the respective Depository Participant as per the details furnished by the beneficial owner. It will be the responsibility of the Eligible Allottees to ensure that the rejected Equity Shares are accepted by their respective DPs.

### **Grounds for rejection:**

Tender Forms or the Equity Shares tendered under the Safety Net Scheme are liable to be rejected, inter alia, on the following grounds:

- Tenders made by persons other than Eligible Allottees;
- Tenders of Equity Shares other than Eligible Equity Shares;

- Signature of the sole holder or all holders (in case of joint holdings), as the case may be, missing in the Tender Form;
- Tender Forms wherein the signature does not match with the signature of Eligible Allottee as appearing in the records of the Depository;
- Tenders wherein credit of Equity Shares have been made to the Safety Net Demat Account without submitting the duly signed Tender Form on or prior to the Designated Time;
- Tender Forms submitted without crediting the Eligible Equity Shares into the Safety Net Demat Account on or prior to the Designated Time;
- Submission of a single Tender Form tendering Eligible Equity Shares held in multiple demat accounts;
- Tenders by persons prohibited from buying, selling or dealing in shares directly or indirectly by SEBI or any other regulatory authority;
- Equity Shares tendered under the Safety Net Scheme being encumbered in any manner;
- Incomplete Tender Forms, including non-submission of necessary enclosures, if any;
- Tender Forms sent/submitted to the BRLMs or the Company or any of the Safety Net Providers; and
- Tenders of Equity Shares that are the subject matter of litigation or are held in abeyance due to pending litigation / attachment orders from other statutory authorities, wherein the Eligible Allottee may be precluded from transferring the Equity Shares during the pendency of such litigation / attachment orders, if directions / orders regarding the free transferability of such Equity Shares tendered under the Safety Net Scheme are not received prior to the closure of the Safety Net Scheme

### **Financial Capacity of the Safety Net Providers**

As 100% of the amounts required for fulfilling the Safety Net obligations of the Safety Net Providers will be credited to the Safety Net Escrow Account directly from the proceeds of the Issue, in the opinion of the BRLMs, the Safety Net Providers will have sufficient financial resources to enable them to discharge their obligations under the Safety Net Scheme in full.

### **Obligations under the Safety Net Scheme**

The Safety Net Providers have the primary responsibility and obligation to provide the Safety Net under the Safety Net Scheme.

In the event of occurrence of the Safety Net Trigger, the BRLMs' obligations in relation to the Safety Net Scheme will be deemed completed upon receipt of confirmation in writing from the Registrar that: (i) payment instructions for the consideration towards all Equity Shares validly tendered under the Safety Net Scheme have been dispatched to the bank accounts of such Eligible Allottees in accordance with the Demographic Details received from the Depositories; and (ii) the Equity Shares not validly tendered have been credited back to the respective demat accounts of the relevant Retail Individual Allottees.

Further, in the event of occurrence of the Safety Net Trigger, the BRLMs shall appoint an external agency to study their due diligence practices and submit a report to SEBI along with the corrective actions taken.

In the event of non-fulfilment of the obligation to provide the safety net arrangement by the Safety Net Providers, it will be the responsibility of the BRLMs to discharge the obligation arising from the Safety Net being triggered to the satisfaction of SEBI.

## OFFER STRUCTURE

Offer of [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including share premium of ₹ [●] per Equity Share) aggregating to ₹ [●] million through an offer for sale by the Selling Shareholders. The Offer will constitute 25.02% of the fully diluted post-Offer paid-up equity share capital of our Company.

The Offer is being made through the Book Building Process.

	<b>QIBs<sup>(1)</sup></b>	<b>Non-Institutional Bidders</b>	<b>Retail Individual Bidders</b>
Number of Equity Shares available for Allotment/allocation <sup>(2)</sup>	At least 13,123,095 Equity Shares	Not more than 2,624,618 Equity Shares available for allocation.	Not more than 1,749,745 Equity Shares available for allocation.
Percentage of Offer size available for Allotment/allocation	At least 75% of the Offer size. Up to 5% of the QIB Portion (excluding the Anchor Investor Portion) will be available for proportionate allocation to Mutual Funds only.	Not more than 15% of the Offer.	Not more than 10% of the Offer.
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate as follows (excluding the Anchor Investor Portion): (a) 459,309 Equity Shares shall be allocated on a proportionate basis to Mutual Funds only; and (b) 8,726,858 Equity Shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	In the event, the Bids received from Retail Individual Bidders exceeds 1,749,745 Equity Shares, then the maximum number of Retail Individual Bidders who can be allocated/Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for allocation/Allotment to Retail Individual Bidders by the minimum Bid Lot (“ <b>Maximum RIB Allottees</b> ”). The allocation/Allotment to Retail Individual Bidders will then be made in the following manner:  <ul style="list-style-type: none"> <li>• In the event the number of Retail Individual Bidders who have submitted valid Bids in the Offer is equal to or less than Maximum RIB Allottees, (i) Retail Individual Bidders shall be</li> </ul>

	QIBs <sup>(1)</sup>	Non-Institutional Bidders	Retail Individual Bidders
			<p>allocated/ Allotted the minimum Bid Lot; and (ii) the balance Equity Shares, if any, remaining in the Retail Portion shall be allocated/ Allotted on a proportionate basis to the Retail Individual Bidders who have received allocation/Allotment as per (i) above for less than the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).</p> <ul style="list-style-type: none"> <li>In the event the number of Retail Individual Bidders who have submitted valid Bids in the Offer is more than Maximum RIB Allottees, the Retail Individual Bidders (in that category) who will then be allocated/ Allotted minimum Bid Lot shall be determined on draw of lots basis.</li> </ul> <p>For further details, please see the section “Offer Procedure – Illustration Explaining Procedure of Allotment to Retail Individual Bidders” on page 421.</p>
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [•] Equity Shares thereafter.	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [•] Equity Shares thereafter.	[•] Equity Shares and in multiples of [•] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares not exceeding the	Such number of Equity Shares not exceeding the Offer,	Such number of Equity Shares, whereby the

	<b>QIBs<sup>(1)</sup></b>	<b>Non-Institutional Bidders</b>	<b>Retail Individual Bidders</b>
	Offer, subject to applicable limits.	subject to applicable limits.	Bid Amount does not exceed ₹ 200,000 net of Retail Discount.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can Apply <sup>(3)</sup>	Public financial institutions as specified in section 4A of the Companies Act, scheduled commercial banks, mutual funds, VCFs, FVCIs and AIFs registered with SEBI, FIIs and sub-account registered with SEBI (other than a sub-account which is a foreign corporate or foreign individual), multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDA, provident fund with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million and National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, sub-accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and Eligible QFIs.	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)
Terms of Payment <sup>(4)</sup>	Full Bid Amount shall be blocked in an account with the SCSBs at the time of submission of Bid cum Application Form. (including for Anchor Investors) <sup>(5)</sup> .	Full Bid Amount shall be blocked in an account with the SCSBs at the time of submission of Bid cum Application Form.	Full Bid Amount shall be payable at the time of submission of Bid cum Application Form <sup>(6)</sup> .



	QIBs <sup>(1)</sup>	Non-Institutional Bidders	Retail Individual Bidders
Mode of Application	ASBA only	ASBA only	ASBA and non-ASBA

- (1) *Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. For details, see the section “Offer Procedure” beginning on page 386.*
- (2) *Subject to valid Bids being received at or above the Offer Price. This Offer is being made in accordance with Rule 19(2)(b)(i) of the SCRR, as amended and under the SEBI Regulations and is an offer for at least 25% of the fully diluted post-Offer equity share capital of our Company. This Offer will be made through the Book Building Process wherein at least 75% of the Offer will be Allotted on a proportionate basis to QIBs, provided that our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. Out of the QIB Portion (excluding the Anchor Investor Portion), 5% will be available for allocation on a proportionate basis to Mutual Funds only. The remainder will be available for allocation on a proportionate basis to QIBs (other than Anchor Investors) and Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 459,309 Equity Shares, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. Further, not more than 15% of the Offer will be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Offer will be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Offer Price.*
- (3) *In case the Bid cum Application Form is submitted in joint names, the Bidders should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.*
- (4) *In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the bank account of the Bidder that are specified in the Bid cum Application Form.*
- (5) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Bid cum Application Form. Any balance amount payable by the Anchor Investors, due to a difference between the Offer Price and the Bid Amount paid by the Anchor Investors, shall be payable by the Anchor Investors within two Working Days of the Bid/Offer Closing Date.*
- (6) *A discount of 10% to the Floor Price is being offered to Retail Individual Bidders. The Price Band, minimum Bid Lot and the rupee amount of the Retail Discount will be decided by our Company and the Selling Shareholders in consultation with the BRLMs and will be advertised at least five Working Days prior to the Bid/Offer Opening Date. Retail Individual Bidders can avail the Retail Discount at the time of making the Bid. Retail Individual Bidders shall make the payment towards their Bid net of Retail Discount, i.e., Bid Amount less Retail Discount, at the time of making the Bid.*

*Retail Individual Bidders bidding at the Cut-Off Price shall ensure payment at the Cap Price less Retail Discount, at the time of making the Bid. Retail Individual Bidders, who are not bidding at Cut-Off Price, should ensure that the Bid price per Equity Share (within the Price Band) before adjusting for the Retail Discount, shall be mentioned in the Bid cum Application Form.*

*Please see the section “Offer Procedure – Grounds for Technical Rejections” on page 413, for information on rejection of Bids.*

Under-subscription, if any, in any category, except in the QIB category, would be met with spill-over from other categories at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange.

### **Withdrawal of the Offer**

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right not to proceed with the Offer at anytime after the Bid/ Offer Opening Date but before the Allotment of Equity Shares. In such an event our Company and the Selling Shareholders would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one day of receipt of such notification. Our Company and the Selling Shareholders shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed.

If the Selling Shareholders, in consultation with our Company, withdraw the Offer after the Bid/ Offer Closing Date and thereafter determine that they will proceed with a fresh issue of our Company’s Equity Shares or an offer for sale of Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the

foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

### **Bid/ Offer Programme**

<b>BID/OFFER OPENS ON</b>	<b>May 20, 2013*</b>
<b>BID/OFFER CLOSSES ON</b>	<b>May 22, 2013</b>

*\*Our Company and the Selling Shareholders may consider participation by Anchor Investors. The Anchor Investor Bid/ Offer Period shall be one Working Day prior to the Bid/ Offer Opening Date in accordance with the SEBI Regulations.*

An indicative timetable in respect of the Offer is set out below:

<b>Event</b>	<b>Indicative Date</b>
Bid/ Offer Closing Date	May 22, 2013
Finalisation of Basis of Allotment with NSE	On or about May 31, 2013
Initiation of refunds	On or about June 3, 2013
Credit of Equity Shares to demat accounts of Allottees	On or about June 3, 2013
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about June 5, 2013

**The above timetable is indicative and does not constitute any obligation on the Company or the Selling Shareholders or the BRLMs. Whilst, the Company and the Selling Shareholders shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within 12 Working Days of the Bid/ Offer Closing Date, the timetable may change due to various factors, such as extension of the Bid/ Offer Period by the Company and the Selling Shareholders, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.**

Except in relation to the Bids received from Anchor Investors, Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time, "IST") during the Bid/ Offer Period (except on the Bid/ Offer Closing Date) as mentioned above at the bidding centres and designated branches of SCSBs as mentioned on the Bid cum Application Form. On the Bid/ Offer Closing Date, the Bids and any revision in the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and shall be uploaded until (i) 4.00 p.m. (IST) in case of Bids by QIB Bidders and Non-Institutional Bidders, and (ii) until 5.00 p. m. (IST) or such extended time as permitted by the Stock Exchanges in case of Bids by Retail Individual Bidders, after taking into account the total number of applications received up to the closure of timings and reported by the BRLMs to the Stock Exchanges. It is clarified that the Bids not uploaded on the electronic bidding system would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/ Offer Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/ Offer Closing Date and, in any case, no later than 1.00 p.m. (IST) on the Bid/ Offer Closing Date. All times mentioned in this Red Herring Prospectus are Indian Standard Times. Bidders are cautioned that in the event a large number of Bids are received on the Bid/ Offer Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will be accepted only on Business Days, i.e., Working Days. Neither our Company, the Selling Shareholders, nor any of the BRLMs is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

On the Bid/ Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/ Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the Face Value of the Equity Shares. Any revision in Price Band shall not

exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

**In case of revision of the Price Band, the Bid/ Offer Period will be extended for at least three additional Working Days after revision of Price Band subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the changes on the websites of the BRLMs.**

## OFFER PROCEDURE

This section applies to all Bidders. Please note that QIBs (other than Anchor Investors) and Non-Institutional Bidders can participate in the Offer only through the ASBA process. Retail Individual Bidders can participate in the Offer through the ASBA process as well as the non-ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that may be different from the procedure applicable to non-ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all the Bidders are required to make payment of the full Bid Amount along with the Bid cum Application Form. In case of ASBA Bidders, an amount equivalent to the full Bid Amount will be blocked by the SCSBs.

Bidders can also submit Bid cum Application Forms in the Offer using the stock broker network of the Stock Exchanges i.e. through Registered Brokers at the Broker Centres. This mechanism can be used to submit ASBA Bids as well as non ASBA Bids. The details of the Broker Centres, along with the names and contact details of the Registered Brokers, are available on the websites of:

- (i) the BSE at [http://www.bseindia.com/Markets/PublicIssues/brokercentres\\_new.aspx?expandable=3](http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3)
- (ii) the NSE at [http://www.nseindia.com/products/content/equities/ipos/ipo\\_mem\\_terminal.htm](http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm)
- (iii) MCX-SX at <http://www.mcx-sx.com/members/Membership/Current-Membership/Pages/Membership-Directory.aspx> and <http://www.mcx-sx.com/members/Membership/Current-Membership/Authorised-Person/Pages/Directory.aspx>

Our Company, the Selling Shareholders and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section, and are not liable for any amendment, modification or change in applicable law, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Red Herring Prospectus.

### ***Book Building Procedure***

In terms of Rule 19(2)(b)(i) of the SCRR, this Offer is for at least 25% of the fully diluted post-Offer equity share capital of our Company. The Offer is being made through the Book Building Process wherein at least 75% of the Offer shall be Allotted to QIBs on a proportionate basis, provided that our Company and the Selling Shareholders may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. Out of the QIB Portion (excluding the Anchor Investor Portion), 5% will be available for allocation on a proportionate basis to Mutual Funds only. The remainder will be available for allocation on a proportionate basis to QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. Further, not more than 15% of the Offer will be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Offer will be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any category, except in the QIB category, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange. Provided that at least 75% of the Offer shall be Allotted to QIBs, and in the event that at least 75% of the Offer cannot be Allotted to QIBs, the entire application money shall be refunded forthwith.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, PAN and Client ID, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Bidders are required to ensure that the PAN (of the sole/ first Bidder) provided in the Bid cum Application Form is exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held. In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also

appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.

### **Bid cum Application Form**

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

<b>Category</b>	<b>Colour of Bid cum Application Form</b>
Resident Indians and Eligible NRIs applying on a non-repatriation basis*	White
Eligible NRIs, Eligible QFIs, FIIs or Foreign Venture Capital Investors, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis	Blue
Anchor Investors**	White

\* *Bid cum Application Forms and the abridged prospectus will also be available on the websites of the NSE ([www.nseindia.com](http://www.nseindia.com)), the BSE ([www.bseindia.com](http://www.bseindia.com)) and MCX-SX ([www.mcx-sx.com](http://www.mcx-sx.com))*

\*\* *Bid cum Application Forms for Anchor Investors shall be made available at the offices of the BRLMs.*

All non-ASBA Bidders are required to submit their Bids through the BRLMs or the Registered Brokers only. Non-ASBA Bidders shall only use the specified Bid cum Application Form bearing the stamp of a BRLM or a Registered Broker, as the case may be, for the purpose of making a Bid in terms of this Red Herring Prospectus. ASBA Bidders are required to submit their Bids through the SCSBs authorising blocking of funds that are available in the bank account specified in the Bid cum Application Form. ASBA Bids may also be submitted with the BRLMs in the Specified Cities only or with the Registered Brokers. Further, such Registered Broker, BRLM or Designated Branch shall affix its stamp, date and time on the Bid cum Application Form acknowledging the upload of the Bid in the electronic bidding system of the Stock Exchanges. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the BRLMs or the Registered Brokers, as the case may be, will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder. The Bidder should preserve this acknowledgement slip and should provide the same for any queries related to non-Allotment of Equity Shares in the Offer.

**ASBA Bidders bidding through a BRLM should ensure that the Bid cum Application Form is submitted to a BRLM only in the Specified Cities. ASBA Bidders should also note that Bid cum Application Forms submitted to the BRLMs in the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the BRLMs to deposit Bid cum Application Forms (A list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>). ASBA Bidders bidding through a Registered Broker should note that Bid cum Application Forms submitted to the Registered Brokers will not be accepted if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the Registered Brokers to deposit Bid cum Application Forms. ASBA Bidders bidding directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.**

Upon the filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completion and submission of the Bid cum Application Form to a BRLM, an SCSB or a Registered Broker, the Bidder will be deemed to have authorised our Company and the Selling Shareholders to make the necessary changes in this Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

## Who can Bid?

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, in single or joint names (not more than three). Furthermore, based on the information provided by the Depositories, our Company and the Selling Shareholders shall have the right to accept Bids belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: “Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bids by HUFs would be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in Equity Shares under their respective constitutional or charter documents;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non repatriation basis subject to applicable laws. NRIs other than Eligible NRIs cannot participate in this Offer;
- Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, under the QIB category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only, under the Non-Institutional Bidders category;
- Venture Capital Funds registered with SEBI;
- Alternative Investment Funds registered with SEBI;
- Foreign Venture Capital Investors registered with SEBI;
- Eligible QFIs under the Non-Institutional Bidders category;
- Multilateral and bilateral development financial institutions;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in Equity Shares;
- Scientific and/or industrial research organisations authorised in India to invest in Equity Shares;
- Insurance companies registered with Insurance Regulatory and Development Authority;
- Provident Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in Equity Shares;
- Pension Funds with a minimum corpus of ₹ 250 million and who are authorised under their constitution to hold and invest in Equity Shares;

- National Investment Fund;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- Insurance funds set up and managed by the army, navy or air force of the Union of India;
- Insurance funds set up and managed by Department of Posts, India;
- Any other person eligible to Bid in this Offer, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.

As per the existing regulations, OCBs cannot participate in this Offer.

**The Equity Shares have not been and will not be registered under the Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the Securities Act (“U.S. Persons”) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered or sold only to (i) persons who are both “qualified purchasers” as defined in the Investment Company Act (referred to in this Red Herring prospectus as “QPs”) and “qualified institutional buyers” (as defined in Rule 144A under the Securities Act and referred to in this Red Herring Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Red Herring Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the Securities Act, and (ii) non-U.S. Persons outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

**Each purchaser of Equity Shares that is located within the United States or who is a U.S. person, or who has acquired the Equity Shares for the account or benefit of a U.S. Person will be required to represent and agree, among other things, that such purchaser (i) is a U.S. QIB and a QP; and (ii) will only reoffer, resell, pledge or otherwise transfer the Equity Shares in an “offshore transaction” in accordance with Rule 903 or Rule 904 of Regulation S and under circumstances that will not require the Company to register under the Investment Company Act.**

**Each other purchaser of Equity Shares will be required to represent and agree, among other things, that such purchaser is a non-U.S. person acquiring the Equity Shares in an “offshore transaction” in accordance with Regulation S.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**Please see the section “Other Regulatory And Statutory Disclosures—Important Information for Investors—Eligibility and Transfer Restrictions” on page 360.**

#### **Participation by associates and affiliates of the BRLMs**

The BRLMs shall not be allowed to purchase in this Offer in any manner except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs may purchase Equity Shares in the Offer, either in the QIB Portion or in Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

The BRLMs and any persons related to the BRLMs or our Promoters and our Promoter Group cannot apply in the Offer under the Anchor Investor Portion.

## **Bids by Mutual Funds**

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand in the Mutual Fund portion is greater than 459,309 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion. With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

One-third of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors.

**In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.**

**No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.**

## **Bids by Eligible NRIs**

Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs intending to make payment through freely convertible foreign exchange and bidding on a repatriation basis could make payments through Indian Rupee drafts purchased abroad or cheques or bank drafts or by debits to their Non-Resident External ("NRE") or Foreign Currency Non-Resident ("FCNR") accounts, maintained with banks authorized by the RBI to deal in foreign exchange. Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour), accompanied by a bank certificate confirming that the payment has been made by debiting to the NRE or FCNR account, as the case may be. Payment for Bids by non-resident Bidder bidding on a repatriation basis will not be accepted out of Non-Resident Ordinary ("NRO") accounts.

## **Bids by FIIs**

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of total post- Offer paid-up share capital. In respect of an FII investing in Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total paid-up share capital or 5% of our total paid-up share capital in case such sub-account is a foreign corporate or a foreign individual. Pursuant to the resolution dated August 2, 2011 passed by our Shareholders, our Company had increased the limit for FII holding in our Company to 49% of the total paid up share capital, subject to receipt of the RBI Approval. Our Company has received an approval dated January 20, 2012 from the RBI for increasing the limit for FII holding from 24% to 49% of the total paid up share capital of our Company (the "RBI Approval").

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended (the "SEBI FII Regulations"), an FII, as defined in the SEBI FII Regulations, may issue or



otherwise deal in offshore derivative instruments (as defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by a FII against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FII is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the underwriters, including the BRLMs, that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Offer. Any such offshore derivative instrument does not constitute any obligation or claim or claim on or an interest in, our Company.

### **Bids by Eligible QFIs**

Pursuant to a circular dated January 13, 2012, the RBI has permitted Eligible QFIs to invest in equity shares of Indian companies on a repatriation basis subject to certain terms and conditions. Eligible QFIs have been permitted to invest in equity shares of Indian companies which are offered to the public in India in accordance with the SEBI Regulations. The individual and aggregate investment limits for Eligible QFIs in an Indian company are 5% and 10%, respectively, of the paid up capital of the Indian company. These limits are in addition to the investment limits prescribed under the portfolio investment scheme for FIIs and NRIs. However, in cases of those sectors which have composite foreign investment caps, Eligible QFI investment limits are required to be considered within such composite foreign investment cap.

Eligible QFIs shall be included under the Non-Institutional Bidders category. Further, the SEBI in its circular dated January 13, 2012 has specified, amongst other things, eligible transactions for Eligible QFIs (which includes investment in equity shares in public issues to be listed on recognised stock exchanges and sale of equity shares held by Eligible QFIs in their demat account through SEBI registered brokers), manner of operation of demat accounts by Eligible QFIs, transaction processes and investment restrictions. SEBI has specified that transactions by Eligible QFIs shall be treated at par with those made by Indian non-institutional investors in various respects including, margins, voting rights and public issues.

Eligible QFIs shall open a single non interest bearing Rupee account with an AD category-I bank in India for routing the payment for transactions relating to purchase of equity shares (including investment in equity shares in public issues) subject to the conditions as may be prescribed by the RBI from time to time.

Eligible QFIs who wish to participate in the Offer are required to submit the Bid cum Application Form for the Offer. Eligible QFIs are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour). Eligible QFIs are required to participate in the Offer through the ASBA process.

Eligible QFIs are not permitted to issue off-shore derivative instruments or participatory notes.

### **Bids by SEBI registered Venture Capital Funds, Alternative Investment Funds and Foreign Venture Capital Investors**

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 (the "SEBI VCF Regulations") as amended, and the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended, *inter alia* prescribe the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 (the "SEBI AIF Regulations") prescribe, amongst others, the investment restrictions on AIFs.

Accordingly, the holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3<sup>rd</sup> of its corpus by way of subscription to

an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulations.

### **Bids by limited liability partnerships**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

### **Bids by insurance companies**

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- (a) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- (b) the entire group of the investee company: the least of 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of ULIPs); and
- (c) the industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of ULIPs).

### **Bids by provident funds/pension funds**

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid, without assigning any reason thereof.

**The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.**

#### *Maximum and Minimum Bid Size*

- (a) **For Retail Individual Bidders:** The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed ₹ 200,000 (net of Retail Discount). In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed ₹ 200,000 (net of Retail Discount). Where the Bid Amount is over ₹ 200,000, non-QIB Bidders, must ensure that they apply only through the ASBA process and such Bidders applying through the ASBA process will be considered for allocation under the Non-Institutional Portion. Furthermore, in case of non-ASBA Bids, if the Bid Amount is over ₹ 200,000, the Bid is liable to be rejected. The Cut-off Price option is an option given only to the Retail Individual Bidders indicating their agreement to Bid for and purchase the Equity Shares at the final Offer Price as determined at the end of the Book Building Process. Retail Individual Bidders can revise their Bid during the Bid/Offer Period and withdraw their Bids until finalisation of Basis of Allotment.

Retail Individual Bidders can avail the Retail Discount at the time of making the Bid. Retail Individual

Bidders shall make the payment towards their Bid, net of Retail Discount, i.e., Bid Amount less Retail Discount, at the time of making the Bid.

Retail Individual Bidders bidding at the Cut-Off Price shall ensure payment at the Cap Price less Retail Discount at the time of making the Bid. Retail Individual Bidders, who are not bidding at Cut-Off Price, should ensure that the Bid price per Equity Share (within the Price Band) before adjusting for the Retail Discount, shall be mentioned in the Bid cum Application Form.

- (b) **For Other Bidders (Non-Institutional Bidders and QIBs):** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the Offer size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **QIB Bidders and Non-Institutional Bidders cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage and are required to pay the Bid Amount upon submission of the Bid. QIB Bidders (other than Anchor Investors) and Non Institutional Bidders are mandatorily required to submit their Bids through the ASBA process.**

In case the Bid Amount reduces to ₹ 200,000 or less due to a revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off Price'.

- (c) **For Bidders in the Anchor Investor Portion:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount is at least ₹ 100 million and in multiples of [●] Equity Shares thereafter. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids. A Bid **cannot** be submitted for more than 30% of the QIB Portion under the Anchor Investor Portion. Anchor Investors are not allowed to submit their Bid through the ASBA process. **Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/ Offer Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Offer Price is lower than the Offer Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Offer Price is lower than the Anchor Investor Offer Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them.**

#### **Information for the Bidders:**

- (a) Our Company, the Selling Shareholders and the BRLMs shall declare the Bid/ Offer Opening Date and Bid/ Offer Closing Date in this Red Herring Prospectus to be registered with the RoC and also publish the same in: (i) Mumbai, Pune, Ahmedabad, New Delhi, Lucknow, Chandigarh, Kolkata, Chennai, Kochi, Bengaluru and Hyderabad editions of English national newspaper Financial Express; (ii) New Delhi, Kolkata, Lucknow and Chandigarh editions of Hindi national newspaper Jansatta; and (iii) Mumbai edition of the Marathi regional language newspaper Navshakti, each with wide circulation. This advertisement shall be in the prescribed format.
- (b) Our Company will file this Red Herring Prospectus with the RoC at least three days before the Bid/ Offer Opening Date.
- (c) Copies of the Bid cum Application Form will be available with the BRLMs, at the collections centres of the BRLMs, with the Designated Branches of the SCSBs and at the Registered Office of our Company. Electronic Bid cum Application Forms will be available on the websites of the NSE, the BSE and MCX-SX and of the SCSBs.
- (d) Any eligible Bidder, including eligible NRIs, who would like to obtain a copy of this Red Herring Prospectus and/or the Bid cum Application Form can obtain the same from the Registered Office of our Company.

- (e) Eligible Bidders who are interested in purchasing the Equity Shares should approach any of the BRLMs or their authorised agent(s) or the Registered Brokers to register their Bids. Bidders who wish to use the ASBA process should approach the Designated Branches of the SCSBs, the BRLMs (only in the Specified Cities) or the Registered Brokers, to register their Bids.
- (f) QIBs (other than Anchor Investors) and Non Institutional Bidders can participate in the Offer only through the ASBA process. Retail Individual Bidders have the option to Bid through the ASBA process or the non-ASBA process. Bids by ASBA Bidders shall be accepted by the Designated Branches of the SCSBs in accordance with the SEBI Regulations and any circulars issued by SEBI in this regard. Bidders applying through the ASBA process also have an option to (i) submit the Bid cum Application Form in electronic form; (ii) submit Bids through the BRLMs in the Specified Cities; or (iii) submit Bids through the Registered Brokers.
- (g) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms submitted to a BRLM should bear the stamp of the BRLM, otherwise they are liable to be rejected. Bid cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch and/or the BRLM in the Specified Cities, if not, the same are liable to be rejected. Further, Bid cum Applications Forms submitted to the Registered Brokers should bear the stamp of the Registered Brokers, otherwise they are liable to be rejected.
- (h) ASBA Bids can be submitted (i) in physical mode, to a BRLM in the Specified Cities or to a Registered Broker; or (ii) either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained. ASBA Bids in electronic mode can be submitted only to the SCSBs with whom the ASBA Account is maintained and not to the BRLMs or the Registered Brokers. SCSBs may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account.
- (i) ASBA Bidders bidding through a BRLM should ensure that the Bid cum Application Form is submitted to a BRLM only in the Specified Cities. ASBA Bidders should also note that Bid cum Application Forms submitted to the BRLMs in the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the BRLMs to deposit Bid cum Application Forms (A list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>). ASBA Bidders bidding through a Registered Broker should note that Bid cum Application Forms submitted to the Registered Brokers will not be accepted if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the Registered Brokers to deposit Bid cum Application Forms. ASBA Bidders bidding directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (j) For ASBA Bids submitted to the BRLMs in the Specified Cities, the BRLM shall upload the ASBA Bid onto the electronic bidding system of the Stock Exchanges and deposit the Bid cum Application Form with the relevant branch of the SCSB, at the relevant Specified City, named by such SCSB to accept such Bid cum Application Forms from the BRLMs (A list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>). For ASBA Bids submitted to the Registered Brokers, the Registered Broker shall upload the ASBA Bid on the electronic bidding system of the Stock Exchanges and deposit the Bid cum Application Form with the relevant branch of the SCSB, at the relevant Broker Centre, named by such SCSB to accept such Bid cum Application Forms from the Registered Brokers. The relevant branch of the SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the Bid cum Application Form. For ASBA Bids submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the Bid cum Application Form, before entering the ASBA Bid into the electronic bidding system.
- (k) Except for Bids by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of a Bid in joint names,

the first Bidder, should mention his/ her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. Any Bid cum Application Form without the PAN is liable to be rejected. With effect from August 16, 2010, the beneficiary accounts of Bidders for whom PAN details have not been verified will be “suspended for credit” by the Depositories, and no credit of Equity Shares pursuant to the Offer will be made in the accounts of such Bidders.

- (l) A discount of 10% to the Floor Price is being offered to Retail Individual Bidders. The Price Band, minimum Bid Lot and the rupee amount of the Retail Discount will be decided by our Company and the Selling Shareholders in consultation with the BRLMs and will be advertised at least five Working Days prior to the Bid/Offer Opening Date. Retail Individual Bidders can avail the Retail Discount at the time of making the Bid. Retail Individual Bidders shall make the payment towards their Bid net of Retail Discount, i.e., Bid Amount less Retail Discount, at the time of making the Bid.

Retail Individual Bidders bidding at the Cut-Off Price shall ensure payment at the Cap Price less Retail Discount, at the time of making the Bid. Retail Individual Bidders, who are not bidding at Cut-Off Price, should ensure that the Bid price per Equity Share (within the Price Band) before adjusting for the Retail Discount, shall be mentioned in the Bid cum Application Form.

Please see the section “Offer Procedure – Grounds for Technical Rejections” on page 413, for information on rejection of Bids.

**The Bidders should note that in case the DP ID and Client ID and PAN mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchanges by the BRLMs or the Registered Brokers or the SCSBs do not match with the DP ID and Client ID and PAN available in the database of Depositories, the Bid cum Application Form is liable to be rejected and the Selling Shareholders, our Company, SCSBs and the BRLMs shall not be liable for losses, if any.**

#### **Pre- Offer Advertisement**

Subject to section 66 of the Companies Act, our Company shall, after registering this Red Herring Prospectus with the RoC, publish a pre- Offer advertisement, in the form prescribed by the SEBI Regulations, in: (i) Mumbai, Pune, Ahmedabad, New Delhi, Lucknow, Chandigarh, Kolkata, Chennai, Kochi, Bengaluru and Hyderabad editions of English national newspaper Financial Express; (ii) New Delhi, Kolkata, Lucknow and Chandigarh editions of Hindi national newspaper Jansatta; and (iii) Mumbai edition of the Marathi regional language newspaper Navshakti, each with wide circulation.

#### **Method and Process of Bidding**

- (a) Our Company and the Selling Shareholders in consultation with the BRLMs will decide the Price Band, the minimum Bid lot size and the rupee amount of the Retail Discount and the same shall be advertised in: (i) Mumbai, Pune, Ahmedabad, New Delhi, Lucknow, Chandigarh, Kolkata, Chennai, Kochi, Bengaluru and Hyderabad editions of English national newspaper Financial Express; (ii) New Delhi, Kolkata, Lucknow and Chandigarh editions of Hindi national newspaper Jansatta; and (iii) Mumbai edition of the Marathi regional language newspaper Navshakti, each with wide circulation at least five Working Days prior to the Bid/ Offer Opening Date. The BRLMs, the SCSBs and the Registered Brokers shall accept Bids from the Bidders during the Bid/ Offer Period. The Price Band, along with the relevant financial ratios calculated at the Floor Price and the Cap Price, shall be pre-filled in the Bid cum Application Form.
- (b) The Bid/ Offer Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Offer Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, will be published in: (i) Mumbai, Pune, Ahmedabad, New Delhi, Lucknow, Chandigarh, Kolkata, Chennai, Kochi, Bengaluru and Hyderabad editions of English national newspaper Financial Express; (ii) New Delhi, Kolkata, Lucknow and Chandigarh editions of Hindi national newspaper Jansatta; and (iii) Mumbai edition of the Marathi regional language newspaper Navshakti, each with wide

circulation and also by indicating the change on the websites of the BRLMs.

- (c) During the Bid/Offer Period, non-ASBA Bidders should approach the BRLMs (or their authorised agents) or the Registered Brokers to register their Bids. The BRLMs shall accept Bids from all non-ASBA Bidders and from the ASBA Bidders in Specified Cities and it shall have the right to vet the Bids during the Bid/ Offer Period in accordance with the terms of this Red Herring Prospectus. ASBA Bidders should approach the Designated Branches, the BRLMs (only in the Specified Cities) or the Registered Brokers to register their Bids.
- (d) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels and Revision of Bids” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Offer Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Offer Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- (e) The Bidder cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a BRLM, the SCSBs or the Registered Brokers. Submission of a second Bid cum Application Form to either the same or to another BRLM, SCSB or Registered Broker will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Offer. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “Build up of the Book and Revision of Bids” on page 400.
- (f) Except in relation to the Bids received from the Anchor Investors, the BRLMs, the SCSBs or the Registered Brokers as the case may be, will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.
- (g) The BRLMs shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/ Offer Period i.e. one working day prior to the Bid/ Offer Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.
- (h) Along with the Bid cum Application Form, all non-ASBA Bidders will make payment in the manner described in “Escrow Mechanism - Terms of payment and payment into the Escrow Accounts” in the section “Offer Procedure” beginning on page 386.
- (i) Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form, prior to uploading such Bids with the Stock Exchanges.
- (j) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges.
- (k) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
- (l) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Offer Account, or until withdrawal/failure of the Offer or until withdrawal (by Retail Individual Bidders) /rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar

to the Offer shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Offer Account. In case of withdrawal/failure of the Offer, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Offer.

**INVESTORS ARE ADVISED NOT TO SUBMIT THE BID CUM APPLICATION FORMS TO THE ESCROW COLLECTION BANKS. BIDS SUBMITTED TO THE ESCROW COLLECTION BANKS SHALL BE REJECTED AND SUCH BIDDERS SHALL NOT BE ENTITLED TO ANY COMPENSATION ON ACCOUNT OF SUCH REJECTION.**

#### **Bids at Different Price Levels and Revision of Bids**

- (a) Our Company and the Selling Shareholders, in consultation with the BRLMs and without the prior approval of, or intimation, to the Bidders, reserve the right to revise the Price Band during the Bid/ Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the Face Value of the Equity Shares. The revision in Price Band shall not exceed 20% on either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed at least five Working Days prior to the Bid/ Offer Opening Date and the Cap Price will be revised accordingly.
- (b) Our Company and the Selling Shareholders in consultation with the BRLMs will finalise the Offer Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- (c) Our Company and the Selling Shareholders, in consultation with the BRLMs, can finalise the Anchor Investor Offer Price within the Price Band, without the prior approval of, or intimation, to the Anchor Investors.
- (d) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price (net of Retail Discount). However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- (e) Retail Individual Bidders, who Bid at Cut-off Price (net of Retail Discount) agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price (net of Retail Discount) with the BRLMs. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price (net of Retail Discount), the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price (net of Retail Discount). In the event the Bid Amount is higher than the subscription amount payable by Retail Individual Bidders who Bid at the Cut-off Price, such Retail Individual Bidders will receive refunds of the excess amounts in the manner provided in this Red Herring Prospectus.
- (f) In accordance with the SEBI Regulations, QIB Bidders and Non-Institutional Bidders are not permitted to lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. QIBs and Non-Institutional Bidders may revise their Bids upwards (in terms of quantity of Equity Shares or Bid Amount) during the Bid/Offer Period. Such upward revision must be made using the Revision Form. Retail Individual Bidders can revise their Bids during the Bid/Offer Period and withdraw their Bids until finalisation of the Basis of Allotment.

#### **Escrow mechanism, terms of payment and payment into the Escrow Accounts**

For details of the escrow mechanism and payment instructions, see “Payment Instructions” in this section.

#### **Electronic Registration of Bids**

- (a) The BRLMs, the Registered Brokers and the SCSBs will register the Bids received, except Bids received from Anchor Investors, using the on-line facilities of the Stock Exchanges.

- (b) The BRLMs, the Registered Brokers and the SCSBs will undertake modification of selected fields in the Bid details already uploaded within one Working Day from the Bid/ Offer Closing Date.
- (c) There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Bids are being accepted.
- (d) Neither the BRLMs nor our Company or the Selling Shareholders nor the Registrar to the Offer shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the Registered Brokers or the SCSBs, (ii) the Bids uploaded by the Registered Brokers or the SCSBs or (iii) the Bids accepted but not uploaded by the Registered Brokers or the SCSBs.
- (e) An SCSB shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by such SCSB, (ii) the Bids uploaded by such SCSB, (iii) the Bids accepted but not uploaded by such SCSB and (iv) with respect to Bids by ASBA Bidders, Bids accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Bids uploaded by such SCSB, the full Bid Amount has been blocked in the relevant ASBA Account. A Registered Broker shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to (i) the Bids accepted by such Registered Broker, (ii) the Bids uploaded by such Registered Broker, (iii) Bids accepted but not uploaded by such Registered Broker. With respect to Bids by ASBA Bidders, which are accepted and uploaded by a Registered Broker, the Designated Branches of the relevant SCSB, which receives the relevant schedule (along with Bid cum Application Forms) will be responsible for blocking the necessary amounts in the ASBA Accounts.
- (f) The Stock Exchanges will offer an electronic facility for registering Bids for the Offer. This facility will be available with the BRLMs (and their authorised agents), the Registered Brokers and the SCSBs during the Bid/ Offer Period. The BRLMs and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis. On the Bid/ Offer Closing Date, the BRLMs and the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchanges.
- (g) Based on the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges would be made available at the bidding centres during the Bid/ Offer Period.
- (h) At the time of registering each non-ASBA Bid, the BRLMs or the Registered Brokers, as the case may be, shall enter the following details of the Bidders in the on-line system:
  1. Bid cum Application Form number;
  2. PAN (of the sole/first bidder);
  3. Investor Category;
  4. DP ID and client identification number of the beneficiary account of the Bidder; and
  5. Bid Amount;
  6. Cheque number;
  7. Number of Equity Shares Bid for; and
  8. Price per Equity Share.

With respect to Bids by ASBA Bidders, at the time of registering such Bids, the SCSBs shall enter the following information pertaining to the ASBA Bidders into the online system:

1. Bid cum Application Form number;
2. PAN (of the sole/first bidder);
3. Investor Category;
4. DP ID and client identification number of the beneficiary account of the Bidders;
5. Numbers of Equity Shares Bid for;



6. Price per Equity Share;
7. Amount Blocked; and
8. Bank account number;

With respect to ASBA Bids submitted to the BRLMs (at the Specified Cities) or to the Registered Brokers, at the time of registering each Bid, the BRLMs or the Registered Brokers, as the case may be, shall enter the following details on the on-line system:

1. Bid cum Application Form number;
  2. PAN (of the first Bidder, in case of more than one Bidder);
  3. Investor category and sub-category;
  4. DP ID;
  5. Client ID;
  6. Number of Equity Shares Bid for;
  7. Price per Equity Share;
  8. Bank code for the SCSB where the ASBA Account is maintained;
  9. Name of Specified City or location of the Broker Centre, as the case may be;
  10. Bid Amount;
  11. Bank Account Number.
- (i) TRS will be generated for each of the bidding options when the Bid is registered. **It is the Bidder's responsibility to obtain the TRS from the BRLMs, the Registered Brokers or the Designated Branches of the SCSBs, as the case may be.** The registration of the Bid by the BRLMs, the Registered Bidders or the Designated Branches of the SCSBs does not guarantee that the Equity Shares shall be allocated / Allotted either by the BRLMs, our Company or the Selling Shareholders.
- (j) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- (k) Bids made at the Broker Centres shall be stamped and acknowledged by the Registered Brokers at the time of receipt, which shall form the basis of any complaint for the Bidder.
- (l) In case of QIB Bidders, the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) the BRLMs (only in the Specified Cities) shall have the right to reject the Bid at the time of receiving it, provided that a reason for such rejection shall be provided to such Bidders in writing. Further, QIB Bids can also be rejected on technical grounds listed herein. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids may be rejected on technical grounds listed herein. The Registered Brokers shall have no right to reject Bids, except on technical grounds.
- (m) The permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Selling Shareholders and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the Selling Shareholders, our Promoters, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
- (n) Only Bids that are uploaded on the electronic bidding system of the Stock Exchanges shall be considered for allocation/ Allotment. The BRLMs, the Registered Brokers and the SCSBs will be given up to one working day after the Bid/ Offer Closing Date to verify DP ID and Client ID uploaded in the electronic bidding system during the Bid/ Offer Period after which the Registrar to the Offer will receive this data from the Stock Exchanges and will validate the electronic bid details with depository's records. In case no corresponding record is available with depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such bids are liable to be rejected.

- (o) The details uploaded in the electronic bidding system shall be considered as final and Allotment will be based on such details.
- (p) Details of Bids in the Anchor Investor Portion will not be registered on the on-line facilities of the electronic facilities of the Stock Exchanges.

#### **Build up of the book and revision of Bids**

- (a) Bids received from various Bidders through the BRLMs, the Registered Brokers and the SCSBs shall be electronically uploaded to the Stock Exchanges' mainframe on a regular basis.
- (b) The book gets built up at various price levels. This information will be available with the BRLMs at the end of the Bid/ Offer Period.
- (c) Retail Individual Bidders are permitted to revise their Bids during the Bid/Offer Period. However, QIB Bidders and Non-Institutional Bidders cannot lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage.
- (d) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, the Bidder must still fill the details of the other two options that are not being revised, in the Revision Form. The BRLMs, the Registered Brokers and the Designated Branches of the SCSBs will not accept incomplete or inaccurate Revision Forms.
- (e) The Retail Individual Bidders can make this revision any number of times during the Bid/ Offer Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same BRLM or the Registered Broker or the SCSB through whom such Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof. QIB Bidders and Non-Institutional Bidders are not permitted to lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. QIB Bidders and Non-Institutional Bidders may revise their Bids upwards (in terms of quantity of Equity Shares or Bid Amount) during the Bid/Offer Period. Such upward revision must be made using the Revision Form.
- (f) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹ 200,000 if the Bidder wants to continue to Bid at Cut-off Price), with the BRLM or the Registered Broker to whom the original Bid was submitted. The revised Bid must be submitted by the ASBA Bidders to the SCSB or to the BRLM or the Registered Broker to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Red Herring Prospectus. If, however, the Retail Individual Bidder does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Retail Individual Bidder and the Retail Individual Bidder is deemed to have approved such revised Bid at Cut-off Price.
- (g) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have Bid at Cut-off Price (net of Retail Discount) could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account or unblocked by the SCSBs.
- (h) Our Company and the Selling Shareholders, in consultation with the BRLMs, shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹

10,000 to ₹ 15,000.

- (i) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. With respect to the Bids by ASBA Bidders, if revision of the Bids results in an incremental amount, the relevant SCSB shall block the additional Bid Amount. In case of non ASBA-Bids, the BRLMs or the Registered Brokers, as the case may be, shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid at the time of the revision. In such cases, the BRLMs or the Registered Brokers, as the case may be, will revise the earlier Bid details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment.
- (j) When a Bidder revises his or her Bid, he or she should surrender the earlier TRS and request for a revised TRS from the BRLM or the Registered Broker or the SCSB, as applicable. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.

### **Price Discovery and Allocation**

- (a) Based on the demand generated at various price levels, our Company and the Selling Shareholders, in consultation with the BRLMs, shall finalise the Offer Price and the Anchor Investor Offer Price.
- (b) Under-subscription, if any, in any category, except in the QIB category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange. Provided that at least 75% of the Offer shall be allotted to QIBs and in the event that at least 75% of the Offer cannot be Allotted to QIBs, the entire application money shall be refunded forthwith.
- (c) Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs and FIIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- (d) Allocation to Anchor Investors shall be at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs, subject to compliance with the SEBI Regulations.
- (e) In accordance with the SEBI Regulations, QIB Bidders and Non-Institutional Bidders shall not be allowed to withdraw their Bid or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Offer Period and withdraw their Bids until finalisation of Basis of Allotment. Further, the Anchor Investors shall not be allowed to withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage.
- (f) The Basis of Allotment shall be made available on the website of the Registrar to the Offer.

### **Signing of the Underwriting Agreement and the RoC Filing**

- (a) Our Company, the Selling Shareholders and the BRLMs intend to enter into an Underwriting Agreement after the finalisation of the Offer Price.
- (b) After signing the Underwriting Agreement, our Company and the Selling Shareholders will update and file the updated Red Herring Prospectus with the RoC in accordance with the applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

### **Advertisement regarding Offer Price and Prospectus**

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This

advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Offer Price and the Anchor Investor Offer Price. Any material updates between the date of this Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

#### **Notice to Anchor Investors: Allotment Reconciliation and CANs**

A physical book will be prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN. All Anchor Investors will be sent a CAN post Anchor Investor Bid/ Offer Period and in the event that the Offer Price is higher than the Anchor Investor Offer Price, the Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors should note that they shall be required to pay any additional amounts, being the difference between the Offer Price and the Anchor Investor Offer Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. The revised CAN will constitute a valid, binding and irrevocable contract (subject to the issue of Allotment Advice) for the Anchor Investor to pay the difference between the Offer Price and the Anchor Investor Offer Price and accordingly the Allotment Advice will be issued to such Anchor Investors. In the event the Offer Price is lower than the Anchor Investor Offer Price, the Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice. The Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment of Equity Shares to such Anchor Investors.

The final allocation is subject to the physical application being valid in all respect along with receipt of stipulated documents, the Offer Price being finalised at a price not higher than the Anchor Investor Offer Price and Allotment by the Board of Directors.

#### **Designated Date and Allotment of Equity Shares:**

- (a) Our Company and the Selling Shareholders will ensure that: (i) the Allotment of Equity Shares; and (ii) credit to the successful Bidder's depository account will be completed within 12 Working Days of the Bid/ Offer Closing Date. After the funds are transferred from the Escrow Account to the Public Offer Account on the Designated Date, our Company and the Selling Shareholders will ensure the credit to the successful Bidder's depository account is completed within two Working Days from the date of Allotment.
- (b) In accordance with the SEBI Regulations, Equity Shares will be transferred and Allotment shall be made only in the dematerialised form to the Allottees.
- (c) Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

**Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to this Offer.**

#### **Issuance of Allotment Advice**

- (a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, our Company shall pass necessary corporate action to facilitate the Allotment of Equity Shares.
- (b) Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders who have been Allotted Equity Shares in the Offer.
- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) The Issuance of Allotment Advice is subject to "Notice to Anchor Investors - Allotment Reconciliation and CANs" as set forth above.

## GENERAL INSTRUCTIONS

### Do's:

- (a) Check if you are eligible to apply as per the terms of this Red Herring Prospectus and under applicable law;
- (b) Ensure that you have Bid within the Price Band;
- (c) Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
- (d) Ensure that the details about the PAN, Depository Participant and the Client ID are correct and the Bidders depository account is active as Allotment of Equity Shares will be in the dematerialised form only;
- (e) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of the BRLM or with respect to ASBA Bidders, ensure that your Bid is submitted either to a BRLM (only in the Specified Cities) or to a Registered Broker or at a Designated Branch of the SCSB where the ASBA Bidder or the person whose bank account will be utilised by the ASBA Bidder for bidding has a bank account;
- (f) With respect to Bids by ASBA Bidders ensure that the Bid cum Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
- (g) QIBs (other than Anchor Investors) and Non Institutional Bidders should submit their Bids through the ASBA process only;
- (h) With respect to Bids by SCSBs ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Bid;
- (i) Ensure that you request for and receive a TRS for all your Bid options;
- (j) Ensure that you have funds equal to the Bid Amount in your bank account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to the respective Designated Branch of the SCSB or a BRLM (only in Specified Cities) or a Registered Broker;
- (k) Ensure that you have funds equal to the Bid Amount in your bank account before submitting the Bid cum Application Form to the BRLMs or the Registered Brokers;
- (l) With respect to non-ASBA Bids, ensure that the full Bid Amount is paid for the Bids and with respect to ASBA Bids, ensure funds equivalent to the Bid Amount are blocked.
- (m) Instruct your respective banks to not release the funds blocked in the bank account under the ASBA process;
- (n) Submit revised Bids to the same BRLM/Registered Broker/SCSB through whom the original Bid was placed and obtain a revised TRS;
- (o) Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the

- demographic details evidencing the same;
- (p) Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
  - (q) Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
  - (r) Ensure that the signature of the sole Bidder/ first Bidder, in case of joint Bids, is included in the Bid cum Application Forms.
  - (s) Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders;
  - (t) Ensure that the category and sub-category is indicated;
  - (u) Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
  - (v) Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
  - (w) Ensure that the DP ID, the Client ID and the PAN mentioned in the Bid cum Application Form and entered into the electronic bidding system of the stock exchanges by the BRLMs, the Registered Brokers or the SCSBs, as the case may be, match with the DP ID, Client ID and PAN available in the Depository database;
  - (x) In relation to the ASBA Bids, ensure that you use the Bid cum Application Form bearing the stamp of the relevant SCSB and/ or the Designated Branch and/ or the BRLM and/or the Registered Broker (except in case of electronic forms);
  - (y) Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and this Red Herring Prospectus;
  - (z) In relation to the ASBA Bids, ensure that your Bid cum Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with a BRLM in the Specified Cities or with a Registered Broker, and not to the Escrow Collecting Banks (assuming that such bank is not a SCSB) or to our Company or the Selling Shareholders or the Registrar to the Offer;
  - (aa) ASBA Bidders bidding through a BRLM should ensure that the Bid cum Application Form is submitted to a BRLM only in the Specified Cities and that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at least one branch at that location for the BRLMs to deposit Bid cum Application Forms. (A list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>). ASBA Bidders bidding through a Registered Broker should ensure that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at least one branch at that location for the Registered Brokers to deposit Bid cum Application Forms.
  - (bb) ASBA Bidders should ensure that the Bid cum Application Form is signed by the ASBA Account holder in case the ASBA Bidder is not the account holder;
  - (cc) Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;

- (dd) In relation to the ASBA Bids, ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form; and
- (ee) In relation to the ASBA Bids, ensure that you receive an acknowledgement from the Designated Branch or from the BRLM in the Specified Cities or from the Registered Broker, as the case may be, for the submission of your Bid cum Application Form.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

- (a) Do not Bid for lower than the minimum Bid size;
- (b) Do not Bid/ revise Bid Amount to less than the Floor Price or higher than the Cap Price;
- (c) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the BRLMs or the SCSBs or the Registered Brokers, as applicable.
- (d) Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest;
- (e) Do not send Bid cum Application Forms by post; instead submit the same to the BRLMs or the SCSBs or the Registered Brokers only;
- (f) Do not submit the Bid cum Application Forms to the Escrow Collection Bank(s), our Company, the Selling Shareholders or the Registrar to the Offer;
- (g) Do not Bid on a Bid cum Application Form that does not have the stamp of the BRLMs or the SCSBs;
- (h) Anchor Investors should not Bid through ASBA process;
- (i) Do not Bid at Cut-off Price (for QIB Bidders and Non-Institutional Bidders);
- (j) Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders);
- (k) Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- (l) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground;
- (m) Do not submit the Bids without the full Bid Amount;
- (n) Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
- (o) Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
- (p) If you are a QIB Bidder, do not submit your Bid after 3.00 pm on the QIB Bid/Offer Closing Date;
- (q) If you are a Non Institutional Bidder or Retail Individual Bidder, do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date;

- (r) Do not Bid if you are not competent to contract under the Indian Contract Act, 1872;
- (s) Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of Equity Shares or the Bid Amount) at any stage if you are a QIB Bidder or a Non-Institutional Bidder;
- (t) Do not submit more than five Bid cum Application Forms per ASBA Account;
- (u) Do not submit ASBA Bids to a BRLM at a location other than the Specified Cities; and
- (v) Do not submit ASBA Bids to a BRLM in the Specified Cities unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at-least one branch in the relevant Specified City, for the BRLMs to deposit Bid cum Application Forms (A list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).
- (w) Do not submit ASBA Bids to a Registered Broker unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at-least one branch in that location for the Registered Broker to deposit Bid cum Application Forms.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM**

Bids must be:

- (a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable.
- (b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected. Bidders should note that the BRLMs or the SCSBs or the Registered Brokers, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Bid cum Application Forms or Revision Forms.
- (c) Information provided by the Bidders will be uploaded in the electronic bidding system by the BRLMs, the Registered Brokers or the SCSBs, as the case may be, and the electronic data will be used to make allocation/ Allotment. The Bidders should ensure that the details are correct and legible.
- (d) For Retail Individual Bidders, the Bid must be for a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum Bid Amount of ₹ 200,000.
- (e) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter. Bids cannot be made for more than the Offer size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of Equity Shares that can be held by them under the applicable laws or regulations. Bids must be submitted through ASBA process only.
- (f) For Anchor Investors, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds or equal to ₹ 100 million and in multiples of [●] Equity Shares thereafter. Bids by various schemes of a Mutual Fund in the Anchor Investor Category shall be considered together for the purpose of calculation of the minimum Bid Amount of ₹ 100 million.
- (g) In single name or in joint names. In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.
- (h) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the



Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

#### **Bidder's PAN, Depository Account and Bank Account Details**

Bidders should note that on the basis of PAN of the Bidders, DP ID and Client ID provided by them in the Bid cum Application Form, and as entered by the BRLM or the Registered Broker or SCSB while registering the Bid, the Registrar will obtain from the Depository the demographic details including PAN, address, Bidders bank account details, MICR code and occupation (hereinafter referred to as "Demographic Details"). These bank account details would be used for giving refunds (including through physical refund warrants, direct credit, NECS, NEFT and RTGS) or unblocking of ASBA Account. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch/ credit of refunds to Bidders or unblocking of ASBA Account at the Bidders sole risk and neither the BRLMs or the Registrar or the Escrow Collection Banks or the SCSBs nor our Company or the Selling Shareholders shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

**IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALIZED FORM. ALL BIDDERS SHOULD MENTION THEIR DP ID, CLIENT ID AND PERMANENT ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, CLIENT ID AND PERMANENT ACCOUNT NUMBER GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE DEPOSITORY DATABASE. IN CASE OF JOINT BIDS, THE BID CUM APPLICATION FORM SHOULD CONTAIN ONLY THE NAME OF THE FIRST BIDDER WHOSE NAME SHOULD ALSO APPEAR AS THE FIRST HOLDER OF THE BENEFICIARY ACCOUNT HELD IN JOINT NAMES. THE SIGNATURE OF ONLY SUCH FIRST BIDDER WOULD BE REQUIRED IN THE BID CUM APPLICATION FORM AND SUCH FIRST BIDDER WOULD BE DEEMED TO HAVE SIGNED ON BEHALF OF THE JOINT HOLDERS.**

Bidders may note that in case the DP ID, Client ID and PAN mentioned in the Bid cum Application Form, as the case may be and entered into the electronic bidding system of the stock exchanges by the BRLMs or the Registered Brokers or SCSBs do not match with the DP ID, Client ID and PAN available in the Depository database, the application Bid cum Application Form is liable to be rejected.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/CANs/Allotment Advice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Refund orders/ Allotment Advice would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/ Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In case of refunds through electronic modes as detailed in this Red Herring Prospectus, refunds may be delayed if bank particulars obtained from the Depository are incorrect. In such an event, the address and other details given by the non-ASBA Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at such Bidder's sole risk and neither our Company, the Selling Shareholders nor the Escrow Collection Banks, Registrar and the BRLMs shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

**Bids by Non-Residents including Eligible NRIs, Eligible QFIs, FIIs and Foreign Venture Capital Investors on a repatriation basis**

Bids and revision to Bids must be made in the following manner:

1. On the Bid cum Application Form or the Revision Form, as applicable (Blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
2. In a single name or joint names. In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.
3. Bids on a repatriation basis shall be in the names of individuals, or in the name of FIIs, Eligible QFIs or FVCIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding Eligible NRIs or Eligible QFIs) or their nominees.

**Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission.**

**There is no reservation for Eligible NRIs, Eligible QFIs or FIIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.**

#### **Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, Eligible QFIs, insurance companies and provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- (a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- (b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.
- (c) With respect to Bids made by provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.
- (d) With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form.
- (e) Our Company, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company and the BRLMs may deem fit.

#### **Submission of Bid cum Application Forms or Revision Forms**

With respect to non-ASBA Bidders, all Bid cum Application Forms or Revision Forms duly completed and

accompanied by account payee cheques or drafts shall be submitted to the BRLMs or the Registered Brokers at the time of submission of the Bid. With respect to ASBA Bidders, the Bid cum Application Form or the Revision Form shall be submitted (i) either in physical form to the Designated Branches or in electronic form through the internet banking facility available with the SCSBs or any other electronically enabled mechanism for bidding; or (ii) to the BRLMs in the Specified Cities; or (iii) to the Registered Brokers.

## **PAYMENT INSTRUCTIONS**

### **Escrow Mechanism for non-ASBA Bidders**

Our Company, the Selling Shareholders and the BRLMs shall open Escrow Account(s) with one or more Escrow Collection Bank(s) in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders would be deposited in the Escrow Account. Please note that the escrow mechanism is applicable only to the Bidders applying through the non-ASBA process.

The Escrow Collection Banks will act in terms of this Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Bidders until the Designated Date. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (including the amount due to the Selling Shareholders and other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Offer Account with the Bankers to the Offer. The balance amount after transfer to the Public Offer Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and this Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the BRLMs, the Escrow Collection Banks and the Registrar to facilitate collections from the Bidders.

### **Payment mechanism for ASBA Bidders**

The ASBA Bidders shall specify the bank account number in the Bid cum Application Form and the SCSB shall block an amount equivalent to the Bid Amount in the bank account specified in the Bid cum Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal (by Retail Individual Bidders) / rejection of the ASBA Bid or receipt of instructions from the Registrar to unblock the Bid Amount. In the event of withdrawal (by Retail Individual Bidders) or rejection of the Bid cum Application Form or for unsuccessful Bid cum Application Forms, the Registrar shall give instructions to the SCSB to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Offer and consequent transfer of the Bid Amount to the Public Offer Account, or until withdrawal/ failure of the Offer or until rejection of the Bids by ASBA Bidder, as the case may be.

In case of Bids by SCSBs, the SCSB (which is the Bidder) shall ensure that it has a separate account in its own name with any other SCSB, having clear demarcated funds, for applying under the ASBA process and that such separate account (held with any other SCSB) is used as the ASBA Account with respect to its Bid.

In case of Bids by FIIs, a special Rupee Account should be mentioned in the Bid cum Application Form, for blocking of funds, along with documentary evidence in support of the remittance.

In case of Bids by Eligible NRIs applying on repatriation basis, a Non-Resident External (NRE) Account or a Foreign Currency Non-Resident (FCNR) Account, maintained with banks authorised to deal in foreign exchange in India, should be mentioned in the Bid cum Application Form for blocking of funds, along with documentary evidence in support of the remittance.

In case of Bids by Eligible NRIs applying on a non-repatriation basis, a Non-Resident External (NRE) Account or a

Foreign Currency Non-Resident (FCNR) Account maintained with banks authorised to deal in foreign exchange in India or a Non-Resident Ordinary (NRO) Account, should be mentioned in the Bid cum Application Form for blocking of funds, along with documentary evidence in support of the remittance.

#### **Payment into Escrow Account for non-ASBA Bidders**

Each Bidder shall draw a cheque or demand draft or remit the funds electronically through the RTGS mechanism for the Bid Amount payable on the Bid as per the following terms:

1. All Bidders would be required to pay the full Bid Amount at the time of the submission of the Bid cum Application Form.
2. The Bidders shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the BRLMs or the Registered Brokers, as the case may be. If the payment is not made favouring the Escrow Account along with the Bid cum Application Form, the Bid of the Bidder shall be rejected. Bid cum Application Forms accompanied by cash/ stockinvest/money orders/postal orders will not be accepted.
3. The payment instruments for payment into the Escrow Account should be drawn in favour of:
  - (a) In case of Resident Retail Individual Bidders: “Just Dial – Escrow – R”
  - (b) In case of Non-Resident Retail Individual Bidders: “Just Dial – Escrow – NR”
4. Anchor Investors would be required to pay the Bid Amount at the time of submission of the Bid cum Application Form. In the event of the Offer Price being higher than the price at which allocation is made to Anchor Investors, the Anchor Investors shall be required to pay such additional amount to the extent of shortfall between the price at which allocation is made to them and the Offer Price as per the pay-in date mentioned in the revised CAN. If the Offer Price is lower than the price at which allocation is made to Anchor Investors, the amount in excess of the Offer Price paid by Anchor Investors shall not be refunded to them.
5. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:
  - (a) In case of resident Anchor Investors: “Escrow Account – Just Dial IPO - Anchor”
  - (b) In case of non-resident Anchor Investors: “Escrow Account – Just Dial IPO – Anchor – Non Resident”
6. In case of Bids by Eligible NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.
7. In case of Bids by Eligible NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a Non-Resident Ordinary (NRO) Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE

or FCNR or NRO Account.

8. The monies deposited in the Escrow Account will be held for the benefit of the non-ASBA Bidders till the Designated Date.
9. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Offer Account with the Bankers to the Offer.
10. Payments should be made by cheque, or a demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.
11. Payments made through cheques without the Magnetic Ink Character Recognition ("MICR") code will be rejected.
12. Bidders are advised to provide the number of the Bid cum Application Form on the reverse of the cheque or bank draft to avoid misuse of instruments submitted with the Bid cum Application Form.

## **OTHER INSTRUCTIONS**

### **Joint Bids in the case of Individuals**

Bids may be made in single or joint names (not more than three). In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments will be made out in favour of the first Bidder whose name appears in the Bid cum Application Form or Revision Form. All communications will be addressed to the first Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

### **Multiple Bids**

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of the Mutual Fund and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made. Bids by QIBs under the Anchor Investor Portion and the QIB Portion (excluding the Anchor Investor Portion) will not be treated as multiple Bids.

After submitting an ASBA Bid either in physical or electronic mode, where such ASBA Bid has been submitted to the SCSBs and uploaded with the Stock Exchanges, an ASBA Bidder cannot Bid (either in physical or electronic mode), to either the same or another Designated Branch of the SCSB or to the BRLMs in Specified Cities or to the Registered Broker. Submission of a second Bid in such manner will be deemed a multiple Bid and would be rejected before entering the Bid into the electronic Bidding system or at any point of time prior to the allocation or Allotment of Equity Shares in the Offer. However, ASBA Bidders may revise their Bids through the Revision Form, the procedure for which is described in "Build Up of the Book and Revision of Bids" above. Please note that QIB Bidders and Non-Institutional Bidders are not permitted to withdraw or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage.

More than one ASBA Bidder may Bid for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Bid cum Application Forms with respect to any single ASBA Account.

Duplicate copies of Bid cum Application Forms downloaded and printed from the website of the Stock Exchanges bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

Our Company, the Selling Shareholders and the BRLMs, reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. In this regard, the procedure which would be followed by the Registrar to detect multiple Bids is given below:

1. All Bids will be checked for common PAN as per the records of Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN will be treated as multiple Bids and will be rejected.
2. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the Bidders for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Bids will be checked for common DP ID and Client ID. In any such Bids which have the same DP ID and Client ID, these will be treated as multiple Bids and will be rejected.

### **Permanent Account Number or PAN**

Except for Bids on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in Sikkim, the Bidders, or in the case of a Bid in joint names, each of the Bidders, should mention his/ her PAN allotted under the I.T. Act. In accordance with the circulars issued by SEBI, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. **Any Bid cum Application Form without the PAN is liable to be rejected, except for residents in the state of Sikkim, who are exempted from specifying their PAN for transactions in the securities market. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.**

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Bids, the Registrar will check under the Depository records for the appropriate description under the PAN field i.e. either Sikkim category or exempt category.

With effect from August 16, 2010, the beneficiary accounts of Bidders for whom PAN details have not been verified will be "suspended for credit" and no credit of Equity Shares pursuant to the Offer will be made in the accounts of such Bidders.

### **Withdrawal of ASBA Bids**

Retail Individual Bidders can withdraw their Bids until finalisation of Basis of Allotment. In case a Retail Individual Bidder wishes to withdraw the Bid during the Bid/Offer Period, the same can be done by submitting a request for the same to the concerned SCSB or the concerned member of the Syndicate, as applicable, who shall do the requisite, including unblocking the funds by the SCSBs in the ASBA Account. In case a Retail Individual Bidder wishes to withdraw the Bid after the Bid/Offer Period, the same can be done by submitting a withdrawal request to the Registrar until finalisation of the Basis of Allotment. The Registrar to the Issue shall give instructions to the SCSBs for unblocking the ASBA Account on the Designated Date.

QIBs and Non-Institutional Bidders cannot withdraw their Bids at any stage.

### **REJECTION OF BIDS**

Our Company and the Selling Shareholders have a right to reject Bids based on technical grounds. Further, in case of QIB Bidders, (i) the SCSBs (for Bids other than Bids by Anchor Investors); and (ii) the BRLMs (only in the Specified Cities), may at the time of submission of the Bid, reject such Bids provided that the reasons for rejecting the same shall be provided to such Bidders in writing. Consequent refunds shall be made by RTGS/NEFT/NECS/Direct Credit/cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk.

### ***Grounds for Technical Rejections***

Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

- DP ID and Client ID not mentioned in the Bid cum Application Form;
- Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to Bids by ASBA Bidders, the amounts mentioned in the Bid cum Application Form does not tally with the amount payable for the value of the Equity Shares Bid for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply. However, a limited liability partnership can apply in its own name;
- Bid by persons not competent to contract under the Indian Contract Act, 1872, as amended. However, our Company and the Selling Shareholders shall have the right to accept Bids belonging to an account for the benefit of a minor (under guardianship), solely based on information provided by the depositories;
- PAN not mentioned in the Bid cum Application Form except for Bids by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- GIR number furnished instead of PAN;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Bids at a price less than the Floor Price;
- Bids at a price more than the Cap Price;
- Signature of sole and/or first Bidder missing;
- Submission of more than five Bid cum Application Forms per bank account;
- Bids by Bidders whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- Bids at Cut-off Price by Non-Institutional and QIB Bidders;
- Bids for a Bid Amount of more than ₹ 200,000 by Retail Individual Bidders by applying through non-ASBA process;
- Bids for number of Equity Shares which are not in multiples of [●];
- Category not indicated;
- Multiple Bids as defined in this Red Herring Prospectus;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- Bids accompanied by Stockinvest/money order/postal order/cash/ outstation cheques;
- Bid cum Application Forms does not have Bidder's depository account details or all the information required is not provided and the details given are incomplete or incorrect;

- Bid cum Application Forms not being signed by the ASBA account holder, if the account holder is different from the ASBA Bidder;
- Bid cum Application Form submitted to the BRLMs does not bear the stamp of the BRLMs or the Registered Brokers. ASBA Bids submitted directly to the SCSBs does not bear the stamp of the SCSB and/or the Designated Branch and/or the BRLMs, as the case may be;
- Bid cum Application Forms, submitted under the ASBA process, not having details of the ASBA Account to be blocked or not containing the authorization for blocking the Bid Amount in the bank account specified in the Bid cum Application Form;
- Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid/ Offer Opening Date advertisement and this Red Herring Prospectus and as per the instructions in this Red Herring Prospectus and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches the Depository Participant's identity (DP ID), the beneficiary's account number and PAN;
- With respect to ASBA Bids, inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form at the time of blocking such Bid Amount in the bank account;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- With respect to ASBA Bids, where no confirmation is received from SCSB for blocking of funds;
- Bids by QIBs (other than Anchor Investors) and Non Institutional Bidders not submitted through ASBA process;
- Bids by QIBs (other than Anchor Investors) and Non Institutional Bidders accompanied by cheque(s) or demand draft(s);
- ASBA Bids submitted to a BRLM at locations other than the Specified Cities and Bid cum Application Forms, under the ASBA process, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB), to our Company, the Selling Shareholders or the Registrar to the Offer;
- Bids by persons in the United States or by U.S. Persons (as defined in Regulation S) excluding persons who are both a U.S. QIB and a QP (as defined in this Red Herring Prospectus);
- Bids by any person outside India if not in compliance with applicable foreign and Indian laws;
- Bids not uploaded on the terminals of the Stock Exchanges;
- Bids by QIB Bidders submitted after 5 pm on the QIB Bid/ Offer Closing Date, Bids by Non-Institutional Bidders submitted after 3 pm on the Bid/ Offer Closing Date, and Bids by Retail Individual Bidders submitted after 3 pm on the Bid/ Offer Closing Date unless extended by the Stock Exchanges, as applicable;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority; and
- Bids by OCBs.



- Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form

Bid cum Application Forms can be rejected on the aforesaid technical grounds either at the time of their submission to the authorised agents of the BRLMs, to the Registered Brokers or to the SCSBs or at the time of finalisation of the Basis of Allotment.

**IN CASE THE DP ID, CLIENT ID AND PAN MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC BIDDING SYSTEM OF THE STOCK EXCHANGES BY THE BRLMs/THE SCSBs DO NOT MATCH WITH THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITARIES, THE APPLICATION IS LIABLE TO BE REJECTED.**

#### **EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL OR CDSL**

As per the provisions of section 68B of the Companies Act, the Allotment of Equity Shares in this Offer shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar:

- Agreement dated October 14, 2011 among NSDL, our Company and the Registrar;
- Agreement dated September 30, 2011, among CDSL, our Company and the Registrar.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

- A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.
- The Bidder must necessarily fill in the details (including the Client ID and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.
- Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.
- The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.
- Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
- Non transferable advice or refund orders will be directly sent to the Bidders by the Registrar to the Offer.

#### **Communications**

All future communications in connection with Bids made in this Offer should be addressed to the Registrar quoting the full name of the sole or first Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the BRLM or the Registered Broker or the Designated Branch of the SCSBs where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, bank account number in which the amount equivalent to the Bid Amount was blocked.

**Bidders can contact the Compliance Officer or the Registrar in case of any pre- Offer or post- Offer related problems such as non-receipt of Allotment Advice, credit of Allotted Equity Shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders can contact the Designated Branches of the SCSBs.**

## **PAYMENT OF REFUND**

Non-ASBA Bidders must note that on the basis of Bidder's DP ID and Client ID provided by them in the Bid cum Application Form, the Registrar will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf to make refunds.

On the Designated Date and no later than 12 Working Days from the Bid/ Offer Closing Date, the Registrar to the Offer shall despatch refund orders for all amounts payable to unsuccessful non-ASBA Bidders and also the excess amount paid on bidding, if any, after adjusting for allocation/Allotment to such Bidders.

### *Mode of making refunds for non-ASBA Bidders*

The payment of refund, if any, for non-ASBA Bidders would be done through various modes by any of the following:

4. NECS – Payment of refund would be done through NECS for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories.
5. Direct Credit – Applicants having bank accounts with the Refund Bank(s), as per the Demographic Details received from the Depositories, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Selling Shareholders.
6. RTGS – Bidders having a bank account with a bank branch which is RTGS-enabled as per the information available on the RBI's website and whose refund amount exceeds ₹ 0.2 million, will be eligible to receive refund through RTGS, provided the Demographic Details downloaded from the Depositories contain the nine digit MICR code of the Bidder's bank which can be mapped with the RBI data to obtain the corresponding Indian Financial System Code ("IFSC"). Any bank charges levied by the Refund Bank will be borne by the Selling Shareholders. Any bank charges levied by the Bidders' bank receiving the credit will be borne by the respective Bidders.
7. NEFT – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a MICR, if any, available to that particular bank branch. IFSC will be obtained from the website of the RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC of that particular bank branch and the payment of refund will be made to the applicants through this method.
8. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

### *Mode of making refunds for ASBA Bidders*

In case of ASBA Bidders, the Registrar shall instruct the SCSBs to unblock the funds in the relevant ASBA Accounts to the extent of the Bid Amount specified in the Bid cum Application Forms for withdrawn (by Retail Individual Bidders), rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/

Offer Closing Date.

## **DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY**

With respect to non-ASBA Bidders, our Company and the Selling Shareholders shall ensure dispatch of Allotment Advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants of the Bidders and submit the documents pertaining to the Allotment to the Stock Exchanges within 12 Working Days from the Bid/ Offer Closing Date.

In case of applicants who receive refunds through NECS, NEFT, direct credit or RTGS, the refund instructions will be given to the clearing system within 12 Working Days from the Bid/ Offer Closing Date. A suitable communication shall be sent to the Bidders receiving refunds through this mode within 15 days from the Bid/ Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company and the Selling Shareholders shall ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within 12 Working Days of the Bid/ Offer Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, our Company and the Selling Shareholders further undertake that:

- Allotment of Equity Shares shall be made only in dematerialised form within 12 Working Days of the Bid/ Offer Closing Date; and
- With respect to non-ASBA Bidders, dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 12 Working Days of the Bid/ Offer Closing Date would be ensured. With respect to the ASBA Bidders, instructions for unblocking of the ASBA Bidder's Bank Account shall be made within 12 Working Days from the Bid/ Offer Closing Date.
- Our Company and the Selling Shareholders shall pay interest at 15% p.a. for any delay beyond 15 days from the Bid/ Offer Closing Date, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the 12 Working Days prescribed above. If such money is not repaid within eight days from the day our Company and the Selling Shareholders become liable to repay, our Company, the Selling Shareholders and every Director of our Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under the applicable law.

## **IMPERSONATION**

**Attention of the applicants is specifically drawn to the provisions of sub-section (1) of section 68A of the Companies Act, which is reproduced below:**

*“Any person who:*

- (a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or*
- (b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,*

*shall be punishable with imprisonment for a term which may extend to five years.”*

## BASIS OF ALLOTMENT

### A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Offer Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Offer Price less the Retail Discount.
- The Offer size less Allotment to Non-Institutional and QIB Bidders will be available for Allotment to Retail Individual Bidders who have Bid in the Offer at a price that is equal to or greater than the Offer Price.
- If the aggregate demand in this category is less than or equal to 1,749,745 Equity Shares at or above the Offer Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.
- In the event, the Bids received from Retail Individual Bidders exceeds 1,749,745 Equity Shares, then the maximum number of Retail Individual Bidders who can be allocated/Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for allocation/Allotment to Retail Individual Investors by the minimum Bid Lot (“**Maximum RII Allottees**”). The allocation/Allotment to Retail Individual Investors will then be made in the following manner:
  - In the event the number of Retail Individual Bidders who have submitted valid Bids in the Offer is equal to or less than Maximum RII Allottees, (i) Retail Individual Bidders shall be allocated/ Allotted the minimum Bid Lot; and (ii) the balance Equity Shares, if any, remaining in the Retail Portion shall be allocated/ Allotted on a proportionate basis to the Retail Individual Bidders who have received allocation/Allotment as per (i) above for less than the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
  - In the event the number of Retail Individual Bidders who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the Retail Individual Bidders (in that category) who will then be allocated/ Allotted minimum Bid Lot shall be determined on draw of lots basis.

For further details, please see the section “Offer Procedure – Illustration Explaining Procedure of Allotment to Retail Individual Bidders” on page 421.

- Each successful Retail Individual Bidder shall be Allotted a minimum number of [●] Equity Shares.

### B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Offer Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Offer Price.
- The Offer size less Allotment to QIBs and Retail Individual Bidders will be available for Allotment to Non-Institutional Bidders who have Bid in the Offer at a price that is equal to or greater than the Offer Price.
- If the aggregate demand in this category is less than or equal to 2,624,618 Equity Shares at or above the Offer Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

- In case the aggregate demand in this category is greater than 2,624,618 Equity Shares at or above the Offer Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares, and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

**C. For QIBs (other than Anchor Investors)**

- Bids received from the QIB Bidders at or above the Offer Price shall be grouped together to determine the total demand under this portion. The Allotment to all the successful QIB Bidders will be made at the Offer Price.
- The QIB Portion will be available for Allotment to QIB Bidders who have Bid in the Offer at a price that is equal to or greater than the Offer Price.
- Allotment shall be undertaken in the following manner:
  - (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion (excluding Anchor Investor Portion) shall be determined as follows:
    - (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Portion (excluding Anchor Investor Portion), allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion (excluding Anchor Investor Portion).
    - (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion (excluding Anchor Investor Portion) then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Offer Price.
    - (iii) Equity Shares not purchased, if any, not allocated to Mutual Funds will be available for Allotment to all QIB Bidders as set out in (b) below;
  - (b) In the second instance Allotment to all QIBs shall be determined as follows:
    - (i) In the event of over-subscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Offer Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.
    - (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.
    - (iii) Under-subscription below 5% of the QIB Portion (excluding Anchor Investor Portion), if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.
- The aggregate Allotment to QIB Bidders shall be at least 75% of the Offer and 13,123,095 Equity Shares (other than spill over in case of under-subscription in other categories).

**D. For Anchor Investor Portion**

- Allocation of Equity Shares to Anchor Investors at the Anchor Investor Offer Price will be at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs, subject to compliance with the following requirements:
  - (a) not more than 30% of the QIB Portion will be allocated to Anchor Investors;

- (b) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
- (c) allocation to Anchor Investors shall be on a discretionary basis and subject to:
  - (i) a maximum number of two Anchor Investors for allocation up to ₹ 100 million;
  - (ii) a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 100 million and up to ₹ 2,500 million subject to minimum allotment of ₹ 50 million per such Anchor Investor; and
  - (iii) a minimum number of five Anchor Investors and maximum number of 25 Anchor Investors for allocation of more than ₹ 2,500 million subject to minimum allotment of ₹ 50 million per such Anchor Investor.
- In addition, Anchor Investors in the United States or which are U.S. Persons are required to be U.S. QIBs that are also QPs, and are required to deliver a representation letter substantially containing the representations, warranties and agreements contained in the Bid cum Application Form and certify that they have read and agreed to these representations, warranties and agreements. Anchor Investors that are not U.S. Persons are required to certify that they have read and agreed to the representations, warranties and agreements contained in the Bid cum Application Form.
- The number of Equity Shares allocated to Anchor Investors and the Anchor Investor Offer Price, shall be made available in the public domain by the BRLMs before the Bid/ Offer Opening Date by intimating the same to the Stock Exchanges.

#### **Method of Proportionate Basis of Allotment in the Offer**

In the event of there being over-subscription in the Offer, our Company and the Selling Shareholders shall finalise the Basis of Allotment in consultation with the Designated Stock Exchange. The executive director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLMs and the Registrar shall be responsible for ensuring that the Basis of Allotment is finalised in a fair and proper manner.

The Allotment shall be made in marketable lots, on a proportionate basis as explained below:

- a) Bidders will be categorised according to the number of Equity Shares applied for.
- b) The total number of Equity Shares to be Allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.
- c) Number of Equity Shares to be Allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.
- d) In all Bids where the proportionate Allotment is less than [●] Equity Shares per Bidder, the Allotment shall be made as follows:
  - The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and

- Each successful Bidder shall be Allotted a minimum of [●] Equity Shares.
- e) If the proportionate Allotment to a Bidder is a number that is more than [●] but is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it would be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.
- f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.
- g) Subject to valid Bids being received, allocation of Equity Shares to Anchor Investors shall be at the sole discretion of our Company and the Selling Shareholders, in consultation with the BRLMs.

**Illustration Explaining Procedure of Allotment to Retail Individual Bidders** (Investors should note that this example is solely for illustrative purposes and is not specific to the Offer)

Total number of equity shares offered in the offer: 35 million, at an offer price of ₹ 600 per equity share. The retail portion for the offer consists of 3.5 million equity shares. The company and the selling shareholders fix the minimum bid lot as 20 equity shares.

- A. A total of 0.1 million retail individual bidders have applied in the offer, in varying number of bid lots i.e. between 1 to 16 bid lots, based on the maximum application size of up to ₹ 200,000. The retail individual bidders' category is oversubscribed 4 times. From the 0.1 million retail individual bidders, there are five retail individual bidders, namely A, B, C, D and E, who have applied in the offer as follows: A has applied for 320 equity shares, B has applied for 220 equity shares, C has applied for 120 equity shares, D has applied for 60 equity shares and E has applied for 20 equity shares. As per the SEBI Regulations, the allotment to retail individual investors shall not be less than the minimum bid lot, subject to availability of shares, and the remaining available shares, if any, shall be allotted on a proportionate basis. Accordingly, the actual entitlement of each of A, B, C, D and E shall be as follows:

Name of the retail individual bidder	Total No. of equity shares applied for	Total number of equity shares eligible to be allotted
A	320	<b>20 equity shares</b> (i.e. the minimum bid lot) + <b>38 equity shares</b> [ $\{3,500,000 - (100,000 * 20)\} / \{14,000,000 - (100,000 * 20)\} * 300$ (i.e. 320-20)]
B	220	<b>20 equity shares</b> (i.e. the minimum bid lot) + <b>25 equity shares</b> [ $\{3,500,000 - (100,000 * 20)\} / \{14,000,000 - (100,000 * 20)\} * 200$ (i.e. 220-20)]
C	120	<b>20 equity shares</b> (i.e. the minimum bid lot) + <b>13 equity shares</b> [ $\{3,500,000 - (100,000 * 20)\} / \{(14,000,000 - (100,000 * 20))\} * 100$ (i.e. 120-20)]
D	60	<b>20 equity shares</b> (i.e. the minimum bid lot) + <b>5 equity shares</b> [ $\{(3,500,000 - 100,000 * 20)\} / \{(14,000,000 - (100,000 * 20))\} * 40$ (i.e. 60-20)]
E	20	<b>20 equity shares</b> (i.e. the minimum bid lot)

- B. A total of 0.2 million retail individual bidders have applied in the offer, in varying number of bid lots i.e. between 1 to 16 bid lots, based on the maximum application size of upto ₹ 200,000. The retail individual bidders' category is oversubscribed 9.37 times. Since the total number of equity shares offered retail individual bidders is 3,500,000 and the minimum bid lot is 20 equity shares, the maximum number of retail individual bidders who can be allotted this minimum bid lot will be 175,000 (i.e. 3,500,000/20). The remaining 25,000 retail applicants will not get allotment and such bidders will be determined on basis of draw of lots, in the manner provided below:

No. of lots	No. of equity shares at each lot	No. of retail individual bidders applying at each lot	Total No. of equity shares applied for at each lot	No. of retail individual bidders who shall receive minimum bid-lot (to be selected on lottery)
A	B	C	D=(B*C)	E (175,000/200,000)*C
1	20	10,000	200,000	8,750
2	40	10,000	400,000	8,750
3	60	10,000	600,000	8,750
4	80	10,000	800,000	8,750
5	100	20,000	2,000,000	17,500
6	120	20,000	2,400,000	17,500
7	140	15,000	2,100,000	13,125
8	160	20,000	3,200,000	17,500
9	180	10,000	1,800,000	8,750
10	200	15,000	3,000,000	13,125
11	220	10,000	2,200,000	8,750
12	240	10,000	2,400,000	8,750
13	260	10,000	2,600,000	8,750
14	280	5,000	1,400,000	4,375
15	300	15,000	4,500,000	13,125
16	320	10,000	3,200,000	8,750
<b>Total</b>		<b>200,000</b>	<b>32,800,000</b>	<b>1,75,000</b>

#### Letters of Allotment or Refund Orders or instructions to the SCSBs

The Registrar to the Offer shall give instructions for credit to the beneficiary account with depository participants within 12 Working Days from the Bid/ Offer Closing Date. Applicants residing at the centres where clearing houses are managed by the RBI, will get refunds through NECS only except where applicant is otherwise eligible to get refunds through direct credit, RTGS and NEFT. Our Company and the Selling Shareholders shall ensure dispatch of refund orders, if any, by registered post or speed post at the sole or first Bidder's sole risk within 12 Working Days of the Bid/ Offer Closing Date. Bidders to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 15 days from the Bid/ Offer Closing Date. In case of ASBA Bidders, the Registrar shall instruct the relevant SCSBs to, on the receipt of such instructions from the Registrar, unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the Bid cum Application Form or the relevant part thereof, for withdrawn (in the case of Retail Individual Bidders), rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/ Offer Closing Date.

#### Interest in case of delay in despatch of Allotment Letters or Refund Orders/ instruction to the SCSBs by the Registrar.

Our Company and the Selling Shareholders agree that (i) Allotment of Equity Shares; and (ii) credit to the successful Bidders' depository accounts will be completed within 12 Working Days of the Bid/ Offer Closing Date. Our Company and the Selling Shareholders further agree that they shall pay interest at the rate of 15% p.a. if the Allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given in the disclosed manner within 15 days from the Bid/ Offer Closing Date, whichever is later.

Our Company and the Selling Shareholders will provide adequate funds required for dispatch of refund orders or Allotment Advice to the Registrar.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company and the Selling Shareholders as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

In case of ASBA Bidders, the SCSBs will unblock funds in the ASBA Account to the extent of refund to be made based on instruction received from the Registrar.



## UNDERTAKINGS BY OUR COMPANY AND THE SELLING SHAREHOLDERS

Our Company undertakes the following:

- That if the Selling Shareholders, in consultation with our Company, do not proceed with the Offer after the Bid/ Offer Closing Date, the reason thereof shall be given as a public notice within two days of the Bid/ Offer Closing Date. The public notice shall be issued in the same newspapers where the pre- Offer advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- That if the Selling Shareholders, in consultation with our Company, withdraw the Offer after the Bid/ Offer Closing Date, our Company shall be required to file a fresh offer document with the RoC/ SEBI, in the event our Company and the Selling Shareholders subsequently decide to proceed with the Offer;
- That the complaints received in respect of this Offer shall be attended to by our Company expeditiously and satisfactorily;
- That all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within 12 Working Days of the Bid/ Offer Closing Date;
- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar by the Selling Shareholders;
- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days from the Bid/ Offer Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- That the certificates of the securities/ refund orders to Eligible NRIs shall be despatched within specified time;
- That no further issue of Equity Shares shall be made till the Equity Shares offered through this Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.; and
- That adequate arrangement shall be made to collect all Bid cum Application Forms under the ASBA process and to consider them similar to non-ASBA Bids while finalising the Basis of Allotment.

The Selling Shareholders undertake that:

- That the Equity Shares being sold pursuant to the Offer, have been held by them for a period of more than one year prior to the date of filing the Draft Red Herring Prospectus with SEBI;
- The Equity Shares being sold pursuant to the Offer are free and clear of any liens or encumbrances and shall be transferred to the eligible investors within the specified time;
- The funds required for despatch of refund orders or Allotment Advice by registered post or speed post shall be made available to the Registrar to the Offer by the Selling Shareholders;
- That the complaints received in respect of this Offer shall be attended to by the Selling Shareholders expeditiously and satisfactorily. The Selling Shareholders have authorised the Compliance Officer and the Registrar to the Offer to redress complaints, if any, of the investors;
- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be

made available to the Registrar by the Selling Shareholders;

- That the refund orders or Allotment Advice to the successful Bidders shall be dispatched within specified time;
- That the Selling Shareholders shall not have recourse to the proceeds of the Offer until final approval for trading of the Equity Shares from all Stock Exchanges where listing is sought has been received; and
- No further offer of Equity Shares shall be made till the Equity Shares offered through this Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.
- That if the Selling Shareholders do not proceed with the Offer after the Bid/ Offer Closing Date, the reason thereof shall be given as a public notice within two days of the Bid/ Offer Closing Date. The public notice shall be issued in the same newspapers where the pre- Offer advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- That the Selling Shareholders shall not further transfer Equity Shares during the period commencing from submission of the Draft Red Herring Prospectus with SEBI until the final trading approvals from all the Stock Exchanges have been obtained for the Equity Shares Allotted/ to be Allotted pursuant to the Offer;
- That the Selling Shareholders will not sell, transfer, dispose of in any manner or create any lien, charge or encumbrance on the Equity Shares available in the Offer;
- That the Selling Shareholders will take all such steps as may be required to ensure that the Equity Shares are available for transfer in the Offer.

#### **Utilisation of Offer proceeds**

The Selling Shareholders along with our Company declare that all monies received out of the Offer shall be credited/ transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 73 of the Companies Act.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are FIPB and the RBI.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”), issued Circular 1 of 2013 (“Circular 1 of 2013”), which with effect from April 5, 2013, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on April 4, 2013. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, Circular 1 of 2012 will be valid until the DIPP issues an updated circular (expected on April 5, 2014 and effective from April 5, 2014).

### Subscription by foreign investors (NRIs/FIIs/QFIs)

FIIs are permitted to purchase shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (“FDI”) Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

Pursuant to a circular dated January 13, 2012, the RBI has permitted Eligible QFIs to invest in equity shares of Indian companies on a repatriation basis subject to certain terms and conditions. Eligible QFIs have been permitted to invest in equity shares of Indian companies which are offered to the public in India in accordance with the SEBI Regulations. The individual and aggregate investment limits for Eligible QFIs in an Indian company are 5% and 10% of the paid up capital of the Indian company, respectively.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

**The Equity Shares have not been and will not be registered under the Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the Securities Act (“U.S. Persons”) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered or sold only to (i) persons who are both “qualified purchasers” as defined in the Investment Company Act (referred to in this Red Herring prospectus as “QPs”) and “qualified institutional buyers” (as defined in Rule 144A under the Securities Act and referred to in this Red Herring Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Red Herring Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the Securities Act, and (ii) non-U.S. Persons outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

Each purchaser of Equity Shares that is located within the United States or who is a U.S. person, or who has acquired the Equity Shares for the account or benefit of a U.S. Person will be required to represent and agree, among other things, that such purchaser (i) is a U.S. QIB and a QP; and (ii) will only reoffer, resell, pledge or otherwise transfer the Equity Shares in an “offshore transaction” in accordance with Rule 903 or Rule 904 of Regulation S and under circumstances that will not require the Company to register under the Investment

**Company Act.**

**Each other purchaser of Equity Shares will be required to represent and agree, among other things, that such purchaser is a non-U.S. person acquiring the Equity Shares in an “offshore transaction” in accordance with Regulation S.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**Please see the section “Other Regulatory And Statutory Disclosures—Important Information for Investors—Eligibility and Transfer Restrictions” on page 360.**

## **SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION**

*Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule II of the Companies Act and the SEBI Regulations, the main provisions of the Articles of Association of our Company are detailed below:*

The Articles of Association of our Company comprise of two parts. Part B of the Articles shall become inapplicable on receipt of listing and trading approvals for the Equity Shares from the Stock Exchanges or earlier if required by applicable law or SEBI without any further action by the Company or by the Shareholders of our Company.

### **Part A of the Articles of Association**

#### **Shares at the Disposal of the Directors**

Article 2 provides that “Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Board of Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Board of Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares, and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call for shares shall not be given to any person or persons without the sanction of the Company in General Meeting.”

#### **Consideration for Allotment**

Article 3 provides that “The Board of Directors may allot and issue shares of the Company as payment or part payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or the acquisition and/or in the conduct of its business; and any shares which may be so allotted may be issued as fully/partly paid up shares and if so issued shall be deemed as fully/partly paid up shares.”

#### **Restriction on Allotment**

Article 4 provides that

- “(a) The Directors shall in making the allotments duly observe the provisions of the Act;
- (b) The amount payable on application on each share shall not be less than 5% of the nominal value of the share; and
- (c) Nothing herein contained shall prevent the Directors from issuing fully paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company.”

#### **Increase of Capital**

Article 5 provides that “The Company at its General Meeting may, from time to time, by an Ordinary Resolution increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. The new shares shall be issued on such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe, and in particular, such shares may be issued with a differential rights to dividends, or otherwise at General Meetings of the Company in conformity with Section 87 of the Companies Act, 1956. Whenever the capital of the Company has been increased under the provisions of the Articles, the Directors shall comply with the provisions of Section 97 of

the Act.”

### **Reduction of Capital**

Article 6 provides that “The Company may, subject to the provisions of Sections 78, 80, 100 to 105 (both inclusive) and other applicable provisions of the Act from time to time, by Special Resolution reduce its capital and any Capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorized by law, and in particular, the capital may be paid off on the footing that it may be called up again or otherwise.”

### **Sub-division and Consolidation of Share Certificate**

Article 7 provides that “Subject to the provisions of Section 94 of the Act, the Company in General Meeting, may by an ordinary resolution from time to time:

- (a) Divide, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that as between the holders of the shares resulting from such sub-division one or more of such shares have some preference of special advantage as regards dividend capital or otherwise as compared with the others
- (b) Cancel shares which at the date of such general meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.”

### **New capital part of the existing capital**

Article 8 provides that “Except so far as otherwise provided by the conditions of the issue or by these presents any capital raised by the creation of new shares, shall be considered as part of the existing capital and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.”

### **Power to issue Shares with differential voting rights**

Article 9 provides that “The Company shall have the power to issue Shares with such differential rights as to dividend, voting or otherwise, subject to the compliance with requirements as provided for in the Companies (Issue of Share Capital with Differential Voting Rights) Rules, 2001, or any other law as may be applicable.”

### **Power to issue preference shares**

Article 10 provides that “Subject to the provisions of Section 80 of the Act, the Company shall have the powers to issue preference shares which are liable to be redeemed and the Board resolution authorizing such issue shall prescribe the manner, terms and conditions of such redemption.”

### **Further Issue of Shares**

Article 11 provides that

- “(1) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares then;
  - a) Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date;
  - b) The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of offer within which the offer, if not

accepted, will be deemed to have been declined;

- c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right;
  - d) After the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company
- (2) Notwithstanding anything contained in sub-clause (1) the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub- clause (1) hereof) in any manner whatsoever.
- (a) If a special resolution to that effect is passed by the Company in General Meeting, or
  - (b) Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the Chairman) by the members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company.
- (3) Nothing in sub-clause (c) of (1) hereof shall be deemed:
- (a) To extend the time within which the offer should be accepted; or
  - (b) To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
- (4) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued or loans raised by the Company:
- (i) To convert such debentures or loans into shares in the Company; or
  - (ii) To subscribe for shares in the Company.

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

- (a) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with rules, if any, made by that Government in this behalf; and
- (b) In the case of debentures or loans other than debentures issued to or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the debentures or raising of the loans.”

### **Right to convert loans into capital**

Article 12 provides that “Notwithstanding anything contained in sub-clauses(s) above, but subject, however, to Section 81(3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures or loans raised by the Company to convert such debentures or loans into shares or to subscribe for shares

in the Company.”

#### **Allotment on application to be acceptance of shares**

Article 13 provides that “Any application signed by or on behalf of an applicant for equity shares in the Company followed by an allotment of any equity shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the register, shall, for the purpose of these articles, be a Member.”

#### **Return on allotments to be made or Restrictions on Allotment**

Article 14 provides that “The Board shall observe the restrictions as regards allotment of shares to the public contained in Sections 69 and 70 of the Act, and as regards return on allotments, the Directors shall comply with Section 75 of the Act.”

#### **Money due on shares to be a debt to the Company**

Article 15 provides that “The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them, shall immediately on the inscription of the name of allottee in the Register of Members as the name of the holder of such shares become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.”

#### **Members or heirs to pay unpaid amounts**

Article 16 provides that “Every Member or his heir’s executors or administrators shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being remain unpaid thereon, in such amounts, at such time or times and in such manner, as the Board shall from time to time, in accordance with the Company’s regulations require or fix for the payment thereof.”

#### **Commission for placing shares, debentures, etc**

Article 22 provides that

- “(a) Subject to the provisions of the Act, the Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debentures, or debenture-stock of the Company or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, debentures or debenture-stock of the Company.
- (b) The Company may also, in any issue, pay such brokerage as may be lawful.”

#### **Company’s Lien on Shares /Debentures**

Article 23 provides that “The Company shall have a first and paramount lien upon all the shares /debentures (other than fully paid up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at fixed time in respect of such shares/debentures, and no equitable interest in any shares shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed, the registration of a transfer of shares/debentures shall operate as a waiver of the Company’s lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from provisions of this clause. The fully paid up shares shall be free from all lien and that in the case of partly paid shares the Company’s lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.”



### **Enforcing Lien by Sale**

Article 24 provides that “For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as they think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorize one of their members to execute a transfer thereof on behalf of and in the name of such member. No sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell have been served on such member or his representative and default shall have been made by him or them in payment, fulfillment or discharge of such debts, liabilities or engagements for fourteen days after such notice.”

### **Application of sale proceeds**

Article 25 provides that “The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.”

### **Board to have right to make calls on shares**

Article 26 provides that “The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution), make such call as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and the member(s) and place(s) appointed by the Board. A call may be made payable by installments.

Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in General Meeting.”

### **Notice for call**

Article 27 provides that “Fourteen day notice in writing of any call shall be given by the Company specifying the date, time and places of payment and the person or persons to whom such call be paid.”

### **Call when made**

Article 28 provides that “The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call, and thereupon the call shall be deemed to have been made on the date so determined and if no such date is so determined a call shall be deemed to have been made at the date when the resolution authorizing such call was passed at the meeting of the Board.”

### **Liability of joint holders for a call**

Article 29 provides that “The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.”

### **Board to extend time to pay call**

Article 30 provides that “The Board may, from time to time, at its discretion extend the time fixed for the payment of any call and may extend such time to all or any of the members. The Board may be fairly entitled to grant such extension, but no member shall be entitled to such extension, save as a matter of grace and favour.”

### **Calls to carry Interest**

Article 31 provides that “If a member fails to pay any call due from him on the day appointed for payment thereof,

or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at 5% per annum or such lower rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.”

### **Dues deemed to be calls**

Article 32 provides that “Any sum, which as per the terms of issue of a share becomes payable on allotment or at a fixed date whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same may become payable and in case of non payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.”

### **Proof of dues in respect of share**

Article 33 provides that “On any trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares it shall be sufficient to prove (i) that the name of the members in respect of whose shares the money is sought to be recovered appears entered in the Register of Members as the holder, at or subsequent to the date on which the money sought to be recovered is alleged to have become due on the shares, (ii) that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the member or his representatives pursuant of these Articles, and (iii) it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive of the debt.”

### **Partial payment not to preclude forfeiture**

Article 34 provides that “Neither a judgment nor a decree in favour of the Company, for call or other moneys due in respect of any share nor any part payment or satisfaction there under, nor the receipt by the Company of a portion of any money which shall, from time to time be due from any member to the Company in respect of his shares either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.”

### **Payment in Anticipation of Call May Carry Interest**

Article 35 provides that

- “(a) The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same, whole or any part of the moneys due upon the shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon, provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.
- (b) The member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.
- (c) The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.”

### **Notice for non payment of call money**

Article 36 provides that “If any member fails to pay any call or installment of a call on before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter during

such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.”

### **Notice for forfeiture of shares**

Article 37 provides that

- “(a) The notice shall name a further day (not earlier than the expiration of fourteen days from the date of notice) and place or places on which such call or installment and such interest thereon (at such rate as the Directors shall determine from the day on which such call or installment ought to have been paid) and expenses as aforesaid, are to be paid.
- (b) The notice shall also state that in the event of the non-payment at or before the time the call was made or installment is payable the shares will be liable to be forfeited.”

### **Forfeited share to be the property of the Company**

Article 40 provides that “Any share so forfeited shall be deemed to be the property of the Company and may be sold, re-allocated or otherwise disposed of either to the original holder thereof or to any other person upon such terms and in such manner as the Board shall think fit.”

### **Member to be liable even after forfeiture**

Article 41 provides that “Any member whose shares have been forfeited shall, notwithstanding the forfeiture be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with the interest thereon from time to time of the forfeiture until payment at such rates as the Board may determine and the Board may enforce the payment thereof, if it thinks fit.”

### **Claims against the Company to extinguish on forfeiture**

Article 42 provides that “The forfeiture of a share involves extinction, at the time of the forfeiture of all interest in and all claims and demands against the Company, in respect of the shares and all other rights incidental to the share, except only such of those rights as by these Articles expressly saved.”

### **Board entitled to cancel forfeiture**

Article 46 provides that “The Board may at any time before any share so forfeited shall have them sold, re-allotted or otherwise disposed of, cancel the forfeiture thereof upon such conditions as it thinks fit.”

### **Register of Transfers**

Article 47 provides that “The Company shall keep a “Register of Transfers” and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any shares.”

### **Endorsement of Transfer**

Article 48 provides that “In respect of any transfer of shares registered in accordance with the provisions of these Articles, the Board may, at their discretion, direct an endorsement of the transfer and the name of the transferee and other particulars on the existing share certificate and authorize any Director or officer of the Company to authenticate such endorsement on behalf of the Company or direct the issue of a fresh share certificate, in lieu of and in cancellation of the existing certificate in the name of the transferee.”

### **Instrument of Transfer**

Article 49 provides that “The instrument of transfer of any share shall be in writing and all the provisions of Section 108 of the Act, and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. The Company shall use a common form of transfer in all cases. In case of transfer of shares, where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act, 1996 shall apply.”

### **Directors may refuse to register transfer**

Article 52 provides that “Subject to the provisions of Section 111 and Section 111A of the Act, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a Member in shares or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered with the Company, send notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.”

### **Transfer of partly paid shares**

Article 53 provides that “Where in the case of partly paid shares, an application for registration is to be made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.”

### **Survivor of joint holders recognized**

Article 54 provides that “In case of the death of any one or more persons named in the Register of Members as the joint-holders of any shares, the survivors shall be the only person recognized by the Company as having any title to or interest in such share but nothing therein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.”

### **Title to shares of deceased members**

Article 55 provides that “In the absence of a nomination recorded in accordance with section 109A of the Act, read with section 109B of the Act, which shall in any event, hold precedence, the executors or administrators or holders of a Succession Certificate or the legal representatives of a deceased member (not being one or two joint holders) shall be the only person recognized by the Company as having any title to the shares registered in the name of such member, and the Company shall be bound to recognize such executors or administrators or holders of a Succession Certificate or the legal representatives shall have first obtained Probate holders or Letter of Administration or Succession Certificate as the case may be, from a duly constituted Court in the Union of India. Provided that in any case where the Board in its absolute discretion, thinks fit, the Board may dispense with the production of Probate or Letter of Administration or Succession Certificate, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member as a member.”

### **Transfers not permitted**

Article 56 provides that “No share shall in any circumstances be transferred to any infant, insolvent or person of unsound mind, except fully paid shares through a legal guardian.”

### **Transmission of shares**

Article 57 provides that “Subject to the provisions of the Act and these Articles, presents, any person becoming

entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any members, or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence as the Board thinks sufficient, that he sustains the character in respect of which he proposes to act under this Article, or of his title, either be registering himself as the holder of the shares or elect to have some person nominated by him and approved by the Board, registered as such holder, provided, nevertheless, if such person shall elect to have his nominee registered, he shall testify that election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of the shares.”

### **Rights on Transmission**

Article 58 provides that “A person entitled to a share by transmission shall, subject to the Directors’ right to retain such dividends or money as hereinafter provided, be entitled to receive and may give discharge for any dividends or other moneys payable in respect of the share.”

### **Instrument of transfer to be stamped**

Article 59 provides that “Every instrument of transfer shall be presented to the Company duly stamped for registration, accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the shares and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.”

### **Share Certificates to be surrendered**

Article 60 provides that “Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with (save as provided in Section 108) properly stamped and executed instrument of transfer.”

### **No fee on Transfer or Transmission**

Article 61 provides that “No fee shall be charged for registration of transfers, transmission, probate, succession certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document.”

### **Company not liable to notice of equitable rights**

Article 62 provides that “The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register of members) to the prejudice of persons having or claiming any equitable rights, title or interest in the said shares, notwithstanding that the Company may have had notice of such equitable rights referred thereto in any books of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable rights, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the board shall so think fit.”

### **Dematerialisation of Securities**

Article 63 provides that

“(i) Definitions: For the purpose of this Article:

“*Beneficial Owner*” means a person whose name is recorded as such with a depository.

“*Bye-Laws*” means Bye-laws made by a Depository under Section 26 of the Depositories Act, 1996.

“*Depositories Act*” means the Depositories Act, 1996, including any statutory modifications or re-enactment for the time being in force.

“*Depository*” means a Company formed and registered under the Act and which has been granted a Certificate of Registration under the Securities and Exchange Board of India Act 1992.

“*Member*” means the duly registered holder from time to time of the shares of the Company and includes every person whose name is entered as beneficial owner in the records of the depository.

“*Participant*” means a person registered as such under Section 12 (1A) of the Securities and Exchange Board of India Act, 1992.

“*Record*” includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the Regulations issued by the Securities and Exchange Board of India in relation to the Depositories Act, 1996.

“*Registered Owner*” means a depository whose name is entered as such in the records of the Company.

“*SEBI*” means the Securities and Exchange Board of India

“*Security*” means such security as may be specified by the Securities and Exchange Board of India from time to time.

Words and expressions used in this Article and not defined in the Act but defined in the Depositories Act, 1996 shall have the same meaning respectively assigned to them in the Depositories Act, 1996.

(ii) *Company to Recognize Interest In Dematerialized Securities Under The Depositories Act, 1996.*

Either the Company or the investor may exercise an option to issue, de-link, or hold the securities (including shares) with a depository in Electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification(s) thereto or re-enactment thereof.

(iii) *Dematerialisation/Re-Materialisation of Securities:*

Notwithstanding anything to the contrary or inconsistent contained in these Articles, the Company shall be entitled to dematerialize its existing securities, re-materialize its securities held in Depositories and/or offer its fresh securities in the de-materialized form pursuant to the Depositories Act, 1996 and the rules framed there under, if any.

(iv) *Option to Receive Security Certificate or Hold Securities With Depository:*

Every person subscribing to or holding securities of the Company shall have the option to receive the security certificate or hold securities with a Depository. Where a person opts to hold a security with the Depository, the Company shall intimate such Depository of the details of allotment of the security and on receipt of such information, the Depository shall enter in its record the name of the allottees as the beneficial owner of that security.

(v) *Securities In Electronic Form:*

All securities held by a Depository shall be dematerialized and held in electronic form. No certificate shall be issued for the securities held by the Depository. Nothing contained in Section 153, 153A, 153B, 187B, 187C and 372 of the Act, shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

(vi) *Beneficial Owner Deemed As Absolute Owner:*

Except as ordered by the Court of competent jurisdiction or by law required, the Company shall be entitled to treat the person whose name appears on the register of members as the holders of any share or whose name appears as the beneficial owner of the shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami, trust equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them.

(vii) *Rights of Depositories and Beneficial Owners:*

Notwithstanding anything to the contrary contained in the Act, or these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

Save as otherwise provided above, the Depository is the registered owner of the securities, and shall not have any voting rights or any other rights in respect of the securities held by it.

Every person holding securities of the Company and whose name is entered as a beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository

(viii) *Register and Index of Beneficial Owners:*

The Company shall cause to be kept a Register and Index of members with details of shares and debentures held in materialized and dematerialized forms in any media as may be permitted by law including any form of electronic media.

The Register and Index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a Register and Index of members for the purposes of these Articles. The Company shall have the power to keep in any state or country outside India a Branch register of Members resident in that State or Country.

(ix) *Cancellation of Certificates upon Surrender By Person:*

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the depository as the Registered Owner in respect of the said securities and shall also inform the Depository accordingly.

(x) *Service of Documents:*

Notwithstanding anything contained in the Act, or these Articles, to the contrary, where securities are held in a depository, the record of the beneficial ownership may be served by such depository on the Company by means of hard copies or through electronic mode or by delivery of floppies or discs.

(xi) *Allotment of Securities:*

Where the securities are dealt within a Depository, the Company shall intimate the details of allotment of relevant securities to the Depository on allotment of such securities.

(xii) *Transfer of Securities:*

The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly, particulars of every transfer or transmission of any share held in material form. Nothing contained in these Articles shall apply to transfer of securities held in depository.

(xiii) *Distinctive Number of Securities Held in a Depository*

The shares in the capital shall be numbered progressively according to their several denominations, provided, however that the provisions relating to progressive numbering shall not apply to the share of the Company which are in dematerialized form. Except in the manner provided under these Articles, no share shall be sub-divided. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.

(xiv) *Provisions of Articles to Apply to Shares Held in Depository:*

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depository Act, 1996.

(xv) *Depository to Furnish Information:*

Every Depository shall furnish to the Company information about the transfer of securities in the name of the beneficial owner at such intervals and in such manner as may be specified by laws and the Company in that behalf.

(xvi) *Option to Opt Out In Respect of Any Such Security:*

If a beneficial owner seeks to opt out of a Depository in respect of any security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.

(xvii) *Overriding Effect of This Article:*

Provisions of this Article will have full effect and force notwithstanding anything to the contrary or inconsistent contained in any other Articles of these presents.

## **Nomination Facility**

Article 64 provides that

- “(I) Every holder of shares, or holder of debentures of the Company may at any time, nominate, in the prescribed manner a person to whom his shares in or debentures of the Company shall rest in the event of his death.
- (II) Where the shares in or debentures of the Company are held by more than one person jointly, the joint holders may together nominate in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company shall rest in the event of death of all the joint holders.
- (III) Notwithstanding any thing contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise in respect of such shares in or debentures of the Company where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in



or debentures of the Company, the nominee shall, on the death of the shareholder or debentures holder of the Company or as the case may be on the death of the joint holders become entitled to all the rights in the shares or debentures of the Company or as the case may be all the joint holders in relation to such shares in or debenture of the Company to the exclusion of all the other persons, unless the nomination is varied or cancelled in the prescribed manner.

- (IV) Where the nominee is a minor it shall be lawful for the holder of shares or debentures, to make the nomination and to appoint in the prescribed manner any person to become entitled to shares in or debentures of the Company in the event of his death in the event of minority of the nominee.

Any person who becomes a nominee by virtue of the provisions of Section 109 A upon the production of such evidence as may be required by the Board and subject as hereinafter provided elect either

- a) To be registered himself as holder of the shares or debentures as the case may be, or
- b) To make such transfer of the share or debenture as the case may be, as the deceased shareholder or debenture holder, as the case may be could have made.

If the person being a nominee, so becoming entitled, elects to be registered himself as a holder of the share or debenture as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with a Death Certificate of the deceased share holder or debenture holder as the case may be.

All the limitations, restrictions and provisions of this Act, relating to the right to transfer and registration of transfer of shares or debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer where a transfer is signed by that shareholder or debenture holder, as the case may be.

A person being a nominee, becoming entitled to a share or debenture by reason of the death of the holder shall be entitled to same dividends and other advantages to which he would be entitled if he were the registered holder of the share or debenture, except that he shall not, before being registered a member in respect of his share of debenture, be entitled in respect of it to exercise any right conferred by membership in relation to the meetings of the Company.

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture and if the notice is not complied with within 90 days, the Board may thereafter withhold payments of all dividends, bonus, or other monies payable in respect of the share or debenture, until the requirements of the notice have been complied with.

A Depository may in terms of Section 58 A at any time, make a nomination and above provisions shall as far as may be, apply to such nomination.

### **Buy Back of Shares**

Article 65 provides that “The Company shall be entitled to purchase its own shares or other securities, subject to such limits, upon such terms and conditions and subject to such approvals as required under Section 77 A and other applicable provisions of the Act, The Securities and Exchange Board of India Act, 1992 and the Securities and Exchange Board of India (Buy Back of Securities) Regulations 1998 and any amendments, modification(s), promulgation (s) or re- enactment(s) thereof.”

### **Rights to issue share warrants**

Article 67 provides that

- “(a) The Company may issue Share Warrants subject to, and in accordance with provisions of Section 114 and 115 of the Act.

- (b) The Board may, in its discretion, with respect to any share which is fully paid up on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may from time to time require as to the identity of the person signing the application, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require having been paid, issue a warrant.”

### **Rights of warrant holders**

Article 68 provides that

- “(a) The bearer of the Share Warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right to signing a requisition, for calling a meeting of the Company, and of attending, and voting and exercising other privileges of a member at any meeting held after the expiry of two clear days from time of the deposit, as if his name were inserted in the Register or Members as the holder of the shares included in the deposited Share Warrant.
- (b) Not more than one person shall be recognized as the depositor of the Share Warrant.
- (c) The Company shall, on two days written notice, return the deposited Share Warrant to the depositor.”

Article 69 provides that

- “(a) Subject as herein otherwise expressly provided, no person shall, as bearer of a Share Warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a member at a meeting of the Company, or be entitled to receive any notice from the Company.
- (b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the shares included in the warrant, and he shall be member of the Company.”

### **Board to make rules**

Article 70 provides that “The Board may, from time to time, make rules as to the terms on which it shall think fit, a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.”

### **Rights to convert shares into stock & vice-versa**

Article 71 provides that “The Company in General Meeting may, by an Ordinary Resolution, convert any fully paid-up shares into stock and when any shares shall have been converted into stock the several holders of such stock, may henceforth transfer their respective interest therein, or any part of such interest in the same manner and subject to the same Regulations as, and subject to which shares from which the stock arise might have been transferred, if no such conversion had taken place. The Company may, by an Ordinary Resolution reconvert any stock into fully paid up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal amount of shares from which the stock arose.”

### **Rights of stock holders**

Article 72 provides that “The holders of stock shall according to the amount of stock held by them have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose; but no such privileges or advantages (except participation in the dividends and profits of the Company and in the assets on winding-up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred those privileges or advantages.”

### **Annual General Meetings**

Article 73 provides that “The Company shall, in addition to any other meetings hold a General Meeting which shall be called as its Annual General Meeting, at the intervals and in accordance with the provisions of the Act.”

### **Extraordinary General Meetings**

Article 74 provides that “The Board may, whenever it thinks fit, convene an Extraordinary General Meeting at such date, time and at such place as it deems fit, subject to such directions if any, given by the Board.”

### **Extraordinary Meetings on requisition**

Article 75 provides that “The Board shall on, the requisition of members convene an Extraordinary General Meeting of the Company in the circumstances and in the manner provided under Section 169 of the Act.”

### **Notice for General Meetings**

Article 76 provides that “All General Meetings shall be convened by giving not less than twenty- one days notice excluding the day on which the notice is served or deemed to be served (i.e. on expiry of 48 hours after the letter containing the same is posted) and the date of the meeting, specifying the place and hour of the meeting and in case of any special business proposed to be transacted, the nature of that business shall be given in the manner mentioned in Section 173 of the Act. Notice shall be given to all the shareholders and to such persons as are under the Act and/or these Articles entitled to receive such notice from the Company but any accidental omission to give notice to or non-receipt of the notice by any member shall not invalidate the proceedings of any General Meeting.”

### **Quorum for General Meeting**

Article 79 provides that “Five members or such other number of members as the law for the time being in force prescribes personally present, shall be quorum for a General Meeting and no business shall be transacted at any General Meeting unless the requisite quorum is present at the commencement of the meeting.”

### **Chairman of General Meeting**

Article 81 provides that “The Chairman, if any, of the Board of Directors shall preside as Chairman at every General Meeting of the Company.”

### **Election of Chairman**

Article 82 provides that “If there is no such Chairman or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as Chairman, the members present shall choose another Director as Chairman and if no Director be present or if all the Directors decline to take the chair then the members present shall choose someone of their number to be the Chairman.”

### **Voting at Meeting**

Article 84 provides that “At any General Meeting, a resolution put to the vote at the meeting shall be decided on a show of hands, unless a poll (before or on the declaration of the result of the show of hands) is demanded in accordance with the provisions of Section 179 of the Act. Unless a poll is so demanded, a declaration by the Chairman that the resolution had, on a show of hands been carried unanimously or by a particular majority or lost and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution.”

### **Decision by poll**

Article 85 provides that “If a poll is duly demanded, it shall be taken in such manner as the Chairman directs and the results of the poll shall be deemed to be the decision of the meeting on the resolution in respect of which the poll

was demanded.”

### **Casting vote of Chairman**

Article 86 provides that “In case of equal votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or a casting vote in addition to the vote or votes to which he may be entitled to as a member.”

### **Poll to be immediate**

Article 87 provides that

- “(a) A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time not later than forty eight hours from the time of demand as the Chairman of the meeting directs.
- (b) A demand for a poll shall not prevent the continuance of a Meeting of the transaction of any business other than that on which a poll has been demanded. The demand for a poll may be withdrawn at anytime by the person or persons who made the demand.”

### **Passing resolutions by Postal Ballot**

Article 88 provides that

- “(a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the general meeting of the Company.
- (b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under section 192A of the Act and the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, as amended from time.”

### **Voting rights of Members**

Article 89 provides that

- “(a) On a show of hands every member holding equity shares and present in person shall have one vote.
- b) On a poll, every member holding equity shares therein shall have voting rights in proportion to his shares of the paid up equity share capital.
- c) On a poll, a member having more than one vote, or his proxy or other persons entitled to vote for him need not use all his votes in the same way.”

### **Voting by joint-holders**

Article 90 provides that “In the case of joint-holders the vote of the first named of such joint holders who tender a vote whether in person or by proxy shall be accepted to the exclusion of the votes of other joint holders.”

### **No right to vote unless calls are paid**

Article 91 provides that “No member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.”

## **Proxy**

Article 92 provides that “On a poll, votes may be given either personally or by proxy.”

## **Instrument of proxy**

Article 93 provides that

“The instrument appointing a proxy shall be in writing under the hand of appointer or of his attorney duly authorized in writing or if appointed by a Corporation either under its common seal or under the hand of its attorney duly authorized in writing. Any person whether or not he is a member of the Company may be appointed as a proxy.

The instrument appointing a proxy and Power of Attorney or other authority (if any) under which it is signed must be deposited at the registered office of the Company not less than forty eight hours prior to the time fixed for holding the meeting at which the person named in the instrument proposed to vote, or, in case of a poll, not less than twenty four hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.”

Article 94 provides that “The form of proxy shall be two way proxies as given in Schedule IX of the Act enabling the shareholder to vote for/against any resolution.”

## **Validity of proxy**

Article 95 provides that “A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death of or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the shares in respect of revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.”

## **Corporate Members**

Article 96 provides that “Any corporation which is a member of the Company may, by resolution of its Board of Director or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual member of the Company.”

## **Number of Directors**

Article 97 provides that “Unless otherwise determined by General Meeting, and subject to the provisions of section 252 of the Act, the number of Directors shall not be less than three and not more than twelve, including all types of Directors.

The First Directors of the Company were:

1. MRS. ANITA MANI
2. MR. VENKATACHALAM STHANU SUBRAMANI

and the above directors shall not be liable to retire by rotation and shall be regarded as permanent directors, subject to the applicable provisions under the Act. The Directors, as otherwise appointed by the Company, in general meeting, shall be liable to retire by rotation, unless the terms of appointment state so.

Not less than 2/3rd of the total number of directors of the Company may be appointed according to the principle of proportional representation whether by a single transferable vote or by a system of cumulative voting or otherwise in accordance with section 265 of the Act.”

### **Share qualification not necessary**

Article 98 provides that “Any person whether a member of the Company or not may be appointed as Director and no qualification by way of holding shares shall be required of any Director.”

### **Director’s power to fill-up casual vacancy**

Article 99 provides that “Any casual vacancy occurring in the Board of Directors may be filled up by the Directors, and the person so appointed shall hold office up to the date, up to which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid.”

### **Additional Directors**

Article 100 provides that “The Board of Directors shall have power at any time and from time to time to appoint one or more persons as Additional Directors provided that the number of Directors and Additional Directors together shall not exceed the maximum number fixed. An additional Director so appointed shall hold office up to the date of the next Annual general Meeting of the Company and shall be eligible for re-election by the Company at that Meeting.”

### **Alternate Directors**

Article 101 provides that “The Board of Directors may appoint an Alternate Director to act for a Director (hereinafter called “original Director”) during the absence of the original Director for a period of not less than 3 months from the state in which the meetings of the Board are ordinarily held. An Alternate Director so appointed shall vacate office if and when the original Director returns to the state in which the meetings of the Board are ordinarily held. If the term of the office of the original Director is determined before he so returns to the state aforesaid any provision for the automatic reappointment of retiring Director in default of another appointment shall apply to the original and not to the Alternate Director.”

### **Remuneration of Directors**

Article 102 provides that “Every Director other than the Managing Director and the Whole-time Director shall be paid a sitting fee not exceeding such sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board of Directors or any Committee thereof attended by him and shall be paid in addition thereto all traveling, hotel and other expenses properly incurred by him in attending and returning from the meetings of the Board of Directors or any committee thereof or General Meeting of the Company or in connection with business of the Company to and from any place. The remuneration of Directors including Managing Director and/or Whole-time Director may be paid in accordance with Section 309 of the Act.”

### **Remuneration for extra services**

Article 103 provides that “If any Director, being willing, is called upon to perform extra services or to make any special exertions in going or residing away from the town in which the Registered Office of the Company may be situated for any purposes of the Company or in giving any special attention to the business of the Company or as member of the Board, then subject to the provisions of the Act the Board may remunerate the Director so doing either by a fixed sum, or by a percentage of profits or otherwise and such remuneration, may be either in addition to or in substitution for any other remuneration to which he may be entitled.”

### **Equal power to Director**

Article 105 provides that “Except as otherwise provided in these Articles all the Directors of the Company shall have in all matters equal rights and privileges and be subject to equal obligations and duties in respect of the affairs of the Company.”

### **One-third of Directors to retire every year**

Article 106 provides that “At the Annual General Meeting of the Company to be held every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election. Provided nevertheless that the Managing Director or Whole time Director(s), appointed or the Directors appointed as a Debenture Director and Special Director under Articles hereto shall not retire by rotation under this Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article.”

### **Retiring Directors eligible for re-election**

Article 107 provides that “A retiring Director shall be eligible for re-election and the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing a person thereto.”

### **Meetings of the Board**

Article 116 provides that

- “a) The Board of Directors shall meet at least once in every three months for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit in accordance with section 288 of the Act, provided that at least four such meetings shall be held in every year.
- b) The Managing Director may, at any time summon a meeting of the Board and the Managing Director or a Secretary or a person authorised in this behalf on the requisition of Director shall at any time summon a meeting of the Board. Notice in writing of every meeting of the Board shall be given to every Director for the time being in India, and at his usual address in India to every other Director.”

### **Quorum**

Article 117 provides that

- “(a) The quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher, provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of total strength, the number of remaining Directors, that is to say the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of Board after deducting therefrom the number of Directors, if any, whose places are vacant at the time.
- (b) To the extent permissible by applicable law, the Directors may participate in a meeting of the Board or any Committee thereof, through electronic mode, that is, by way of video conferencing i.e., audio visual electronic communication facility. The notice of the meeting must inform the Directors regarding the availability of participation through video conferencing. Provided that, every Director must attend in person, at least one meeting of the Board or a Committee thereof, in a financial year. Any Director participating in a meeting through the use of video conferencing shall be counted for the purpose of quorum.”

### **Questions how decided**

Article 118 provides that

- “(a) Save as otherwise expressly provided in the Act, a meeting of the Board for the time being at which quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or

under the Regulations of the Company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the Board.

- b) In case of an equality of votes, the Chairman shall have a second or casting vote in addition to his vote as a Director.”

### **Resolution by Circulation**

Article 125 provides that

“Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with the necessary papers, if any, to all the Directors or to all the members of the committee then in India, not being less in number than the quorum fixed of the meeting of the Board or the Committee, as the case may be and to all other Directors or members at their usual address in India and approved by such of the Directors as are then in India or by a majority of such of them as are entitled to vote at the resolution shall be valid and effectual as if it had been a resolution duly passed at a meeting of the Board or committee duly convened and held.”

### **Borrowing Powers**

Article 126 provides that

- “a) The Board of Directors may from time to time but with such consent of the Company in General Meeting as may be required under the Act raise any moneys or sums of money for the purpose of the Company provided that the moneys to be borrowed by the Company apart from temporary loans obtained from the Company’s bankers in the ordinary course of business shall not, without the sanction of the Company at a General Meeting, exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specified purpose and in particular, but subject to the provisions of Sections 58A, 292, 293 and 372A of the Act, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum of money for the purpose of the Company, by the issue of debentures, perpetual or otherwise, including debentures convertible into shares of this or any other Company or perpetual annuities and to secure any such money so borrowed, raised or received, mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities.

Provided that every resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow as stated shall specify the total amount up to which moneys may be borrowed by the Board Directors.

- b) The Directors may by resolution at a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a committee of Directors or the Managing Director, if any, within the limits prescribed.
- c) Subject to provisions of the above sub-clause, the Directors may, from time to time, at their discretion, raise or borrow or secure the repayment of any sum or sums of money for the purposes of the Company, at such time and in such manner and upon such terms and conditions in all respects as they think fit and in particular, by promissory notes or by receiving deposits and advances with or without security or by the issue of bonds, perpetual or redeemable debentures (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, goods or other property and securities of the Company, or by such other means as they may seem expedient.
- d) To the extent permitted under the applicable law and subject to compliance with the requirements thereof, the Directors shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate and the same shall be in the interests of the Company.”



### **Assignment of debentures**

Article 127 provides that

“Such debentures, debenture-stock, bonds or other securities may be assignable free from any equities between the Company and the person to whom the same may be issued.”

### **Term of Issue of Debentures**

Article 128 provides that

“Any debentures, debenture stock, or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with a right of conversion into or allotment of shares shall be issued only with the consent of the Company in a General Meeting by a Special Resolution.”

### **Debenture Directors**

Article 129 provides that

“Any Trust Deed for securing debentures or debenture stock may if so arranged provide for the appointment from time to time by the trustee thereof or by the holders of debentures or debenture stock of some person to be a Director of the Company and may empower such trustee or holders of debentures or debenture stock from time to time to remove any Directors so appointed. A Director appointed under this Article is herein referred to as a “Debenture Director” and the Debenture Director means a Director for the time being in office under this Article. A Debenture Director shall not be bound to hold any qualification shares, not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provision shall have effect notwithstanding any of the other provisions herein contained.”

### **Nominee Directors**

Article 130 provides that

- “a) So long as any moneys remain owing by the Company to any All India Financial Institutions, State Financial Corporation or any financial institution owned or controlled by the Central Government or State Government or any Non Banking Financial Company controlled by the Reserve Bank of India or any such Company from whom the Company has borrowed for the purpose of carrying on its objects or each of the above has granted any loans / or subscribes to the Debentures of the Company or so long as any of the aforementioned companies of financial institutions holds or continues to hold debentures /shares in the Company as a result of underwriting or by direct subscription or private placement or so long as any liability of the Company arising out of any guarantee furnished on behalf of the Company remains outstanding, and if the loan or other agreement with such corporation so provides, the corporation shall have a right to appoint from time to time any person or persons as a Director or Directors whole- time or non whole- time (which Director or Director/s is/are hereinafter referred to as “Nominee Directors/s) on the Board of the Company and to remove from such office any person or person so appointed and to appoint any person or persons in his /their place(s).
- b) The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject to the aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as they hold or continue to hold Debentures/shares in the Company as result of underwriting or by direct subscription or private placement or until the liability of the

Company arising out of the Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall vacate such office immediately upon the money owed by the Company to the Corporation being paid off or ceasing to hold Debentures/Shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished.

- c) The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the Meetings of the Committee of which Nominee Director/s is/are member/s and also receive the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.
- d) The Company shall pay the Nominee Director/s' sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission, monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the nominee appointer and same shall accordingly be paid by the Company directly to the Corporation.
- e) Provided that the sitting fees, in relation to such Nominee Director/s shall also accrue to the appointer and same shall accordingly be paid by the Company directly to the appointer."

### **Register of Charges**

Article 131 provides that

"The Directors shall cause a proper register to be kept, in accordance with the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act in regard to the registration of mortgages and charges therein specified."

### **Subsequent assigns of uncalled capital**

Article 132 provides that

"Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charges and shall not be entitled to obtain priority over such prior charge."

### **Charge in favour of Director for Indemnity**

Article 133 provides that

"If the Director or any person, shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or part of the assets of the Company by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability."

### **Powers to be exercised by Board only by Meeting**

Article 134 provides that

- "a) The Board of Directors shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolution passed at the meeting of the Board:
  - (i) Power to make calls on shareholders in respect of moneys unpaid on their shares;
  - (ii) Power to issue debentures;
  - (iii) Power to borrow money otherwise than on debentures:

- (iv) Power to invest the funds of the Company;
  - (v) Power to make loans.
- b) The Board of Directors may by a meeting delegate to any committee or the Directors or to the Managing Director the powers specified in sub clauses (iii), (iv) and (v) above.
  - c) Every resolution delegating the power set out in sub clause (iii) above shall specify the total amount up to which moneys may be borrowed by the said delegate.
  - d) Every resolution delegating the power referred to in sub-clause (iv) above shall specify the total amount up to which the fund may be invested and the nature of the investments which may be made by the delegate.
  - e) Every resolution delegating the power referred to in sub-clause (v) above shall specify the total amount up to which the loans may be made by the delegate, the purposes for which the loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.”

#### **Managing Director(S) And/ Or Whole-Time Director(S)**

Article 135 provides that

- “a) The Board may from time to time and with such sanction of the Central Government as may be required by the Act, appoint one or more of the Directors to the office of the Managing Director and/ or whole-time Directors.
- b) The Directors may from time to time resolve that there shall be either one or more Managing Directors and/ or Whole time Directors.
- c) In the event of any vacancy arising in the office of a Managing Director and/or Whole-time Director, the vacancy shall be filled by the Board of Directors subject to the approval of the members.
- d) If a Managing Director and/or whole time Director ceases to hold office as Director, he shall ipso facto and immediately cease to be Managing Director/whole time Director.
- e) The Managing Director and/or whole time Director shall not be liable to retirement by rotation as long as he holds office as Managing Director or whole-time Director.”

#### **Powers and duties of Managing Director or whole-time Director**

Article 136 provides that

“The Managing Director/Whole-time Director shall subject to the supervision, control and direction of the Board and subject to the provisions of the Act, exercise such powers as are exercisable under these presents by the Board of Directors, as they may think fit and confer such power for such time and to be exercised as they may think expedient and they may confer such power either collaterally with or to the exclusion of any such substitution for all or any of the powers of the Board of Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any such powers. The Managing Directors/ whole time Directors may exercise all the powers entrusted to them by the Board of Directors in accordance with the Board’s direction.”

#### **Remuneration of Managing Directors/whole time Directors**

Article 137 provides that

“Subject to the provisions of the Act and subject to such sanction of Central Government\Financial Institutions as may be required for the purpose, the Managing Directors\whole-time Directors shall receive such remuneration (whether by way of salary commission or participation in profits or partly in one way and partly in another) as the Company in General Meeting may from time to time determine.”

### **The seal its custody and use**

Article 140 provides that

- “(a) The Board shall provide for the safe custody of the Common Seal for the Company and they shall have power from time to time to destroy the same and substitute a new seal in lieu thereof; and the Common Seal shall be kept at the Registered Office of the Company and committed to the custody of the Managing Director or the Secretary if there is one.

### **Seal abroad**

- (b) The Company shall also be at liberty to have an official seal in accordance with Section 50 of the Act for use in any territory, district or place outside India and such powers shall accordingly be vested in the Directors.”

### **Right to dividend**

Article 143 provides that

- “(a) The profits of the Company, subject to any special rights, relating thereto created or authorized to be created by these presents and subject to the provisions of the presents as to the Reserve Fund, shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively on the last day of the year of account in respect of which such dividend is declared and in the case of interim dividends on the close of the last day of the period in respect of which such interim dividend is paid.
- b) Where capital is paid in advance of calls, such capital shall not confer a right to participate in the profits.”

### **Declaration of Dividends**

Article 144 provides that

“The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.”

### **Capitalisation of Profits**

Article 155 provides that

- “(a) The Company in General Meeting, may, on recommendation of the Board resolve:
- (i) That it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company’s reserve accounts or to the credit of the profit and loss account or otherwise available for distribution; and
  - (ii) That such sum be accordingly set free for distribution in the manner specified in the sub-clause (b) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.
- b) The sum aforesaid shall not be paid in cash but shall be applied, either in or towards:
- (i) Paying up any amounts for the time being unpaid on shares held by such members respectively
  - (ii) Paying up in full, unissued share of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or

- (iii) Partly in the way specified in sub-clause (i) and partly that specified in sub clause (ii).
- c) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.
- d) A share premium account and a capital redemption reserve account may, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.”

#### **Power of Directors for Declaration of Bonus Issue**

Article 156 provides that

- “a) Whenever such a resolution as aforesaid shall have been passed, the Board shall:
  - a. make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and
  - b. generally do all acts and things required to give effect thereto.
- b) The Board shall have full power:
  - a. to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fraction; and also
  - b. to authorize any person, on behalf of all the members entitled thereto, to enter into an agreement with the Company providing for the allotment to such members, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to the capitalised of the amounts or any parts of the amounts remaining unpaid on the shares.
- c) Any agreement made under such authority shall be effective and binding on all such members.”

#### **Winding Up**

##### **Application of Assets**

Article 174 provides that

“Subject to the provisions of the Act as to preferential payment the assets of the Company shall, on its winding up, be applied in satisfaction of its liabilities pari passu and, subject to such application shall be distributed among the members according to their rights and interests in the Company.”

##### **Division of Assets of the Company in Specie Among Members**

Article 175 provides that

“If the Company shall be wound up whether voluntarily or otherwise, the liquidators may, with sanction of a special resolution, divide among the contributories in specie or kind any part of the assets of the Company and any with like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories of any of them, as the liquidators with the like sanction shall think fit, in case any share to be divided as aforesaid involve as liability to calls or otherwise any persons entitled under such division to any of the said shares may within ten days after the passing of the special resolution by notice in writing, direct the liquidators to sell his proportion and pay them the net proceeds, and the liquidators shall, if practicable, act accordingly.”

## **Director's and Others' Right to Indemnity**

Article 176 provides that

- “a) Subject to the provisions of the Act, the Managing Director and every Director, Manager, Secretary and other Officer or Employee of the Company shall be indemnified by the Company against any liability and it shall be the duty of Directors, out of the funds of the Company to pay, all costs and losses and expenses (including traveling expenses) which any such Director, Officer or Employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such Managing Director, Director, Officer or Employee or in any way in the discharge of his duties.
- b) Subject as aforesaid the Managing Director and every Director, Manager, Secretary or other Officer or Employee of the Company shall be indemnified against any liability incurred by them or in defending any proceeding whether civil or criminal in which judgment is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is given to him by the Court.”

## **Not responsible for Acts of Others**

Article 177 provides that

- “a) Subject to the provisions of Section 201 of the Act no Director or other Officer of the Company shall be liable for the acts, receipt, neglects or defaults of any other Director or Officer, or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Director for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency, or tortuous act of any person, Company or Corporation, with whom any moneys, securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgment or over sight in his part or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own willful act or default.
- b) Without prejudice to the generality foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with Registrar of Companies in respect of any act done or required to be done by any Director or other Officer by reason of his holding the said office, shall be paid and borne by the Company.”

## **Secrecy**

Article 178 provides that

“No member shall be entitled to inspect the Company's works without the permission of the Managing Director or to require discovery of any information respectively any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the Managing Director it will be inexpedient in the interest of the members of the Company to communicate to the public.”

## **Duties of Officers to Observe Secrecy**

Article 179 provides that

“Every Director, Managing Directors, Manager, Secretary, Auditor, Trustee, Members of Committee, Officer, Servant, Agent, Accountant or other persons employed in the business of the Company shall, if so required by the Director before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the Company and the state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in

the discharge of his official duties except which are required so to do by the Directors or any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provision of these Articles or law.”

### **Part B of the Articles of Association**

Part B of the Articles provide for all the rights and obligations of the parties to the Amended and Restated Shareholders’ Agreement dated June 21, 2012 entered into between Company, our Promoters, SAIF, Tiger Global, Sequoia I, Sequoia II, Sequoia III, EGCS and SAPV.

In the event of any inconsistency between Part A and Part B of the Articles, the provisions of Part B shall prevail over Part A. However, Part B of the Articles shall become inapplicable on receipt of listing and trading approvals for the Equity Shares of our Company granted by any recognised stock exchange or earlier if required by applicable law or SEBI without any further action by the Company or by the Shareholders of our Company. In the event our Company is unable to file the Prospectus with the RoC in relation to the Offer of Equity Shares by our Company or list its Equity Shares on a recognised stock exchange in India, the provisions of Part B of the Articles shall be the Articles of Association of our Company and Part A shall become inapplicable.

### **Definitions**

Article 1 *inter alia* provides that, “In the interpretation of these Articles, the following expressions shall have the following meaning, unless repugnant to the subject of context:

“Investors” means New Investors, Tiger, SAIF, Sequoia III, EGCS and SAPV;

“New Investors” means Sequoia I and Sequoia II;

“Parties” means, collectively, New Investors, SAIF, Tiger, the Promoters, Sequoia III, SAPV, EGCS and the Company, and “Party” means any one of such Persons individually;

“Sequoia Investors” means collectively Sequoia I, Sequoia II and Sequoia III;

“Shareholders” means New Investors, SAIF, Tiger, Sequoia III, EGCS, SAPV and the Promoters, together with such other Persons as may become (a) parties to the Shareholders’ Agreement and who (b) hold a legal or beneficial interest in any Shares, collectively; and “Shareholder” means any one of the foregoing persons, individually.

### **Directors**

Article 23 provides that “The Company shall have a Board consisting of, no more than 9 (nine), Directors comprising the following:

- i. One (01) member recommended and nominated by SAIF;
- ii. One (01) member recommended and nominated by the Sequoia Investors collectively;
- iii. One (01) member recommended and nominated by Tiger and;
- iv. Three (03) members recommended and nominated by the Promoters; and
- v. Three (03) members as independent Directors recommended and nominated by the Promoters.

Provided however that, the Company shall before filing of the draft red herring prospectus (“DRHP”) in connection with an IPO or Qualified IPO with the Securities and Exchange Board of India (“SEBI”), reconstitute the Board in accordance with Applicable Law.

For so long as SAIF, Sequoia Investors (considered collectively) and Tiger each own 5% (five per cent) of the issued and outstanding Shares (on an as-converted basis), the Board shall at all times have 1 (one) member

nominated by SAIF, 1 (one) member nominated by Sequoia Investors (acting collectively) and 1 (one) member nominated by Tiger. It is clarified that the shareholding of the Sequoia Investors shall be aggregated for the purposes of determining the 5% (five per cent) shareholding as set forth in this Article 23. Additionally, SAIF, Tiger, SAPV and the Sequoia Investors shall, as long as they hold any Shares, each have the right to have 1 (one) designated representative (each a “Board Observer”), who may attend each meeting (both regular and special) of the Board and each committee of the Board in a non-voting capacity. The Company shall give each Board Observer, at the same time as is given to the Directors on the Board, prior written notice of each such meeting; copies of the records of proceedings of, or minutes of, such meeting as provided to the members of the Board and all information provided to the Board at or prior to such meeting in respect of the matters to be discussed thereat. If the Board (or any committee thereof) proposes to take any action by written consent in lieu of a meeting, the Company will give written notice thereof to each Board Observer (the Company using its best efforts to deliver such notice to be delivered at least five (5) Business Days prior to the earlier of the adoption of such consent or the effective date thereof), which notice shall describe in reasonable detail the nature and substance of such proposed action. The Company will furnish each Board Observer with a copy of each such written consent not later than five (5) days after it has been signed by its last signatory. Each Board Observer shall have the right (but no obligation) to consult with and advise the management of the Company at any time or from time to time, or in Person, on such matters relating to the operation of the Company as each Board Observer shall deem appropriate.”

### **Power of Directors**

Article 37(c) provides that:

“Notwithstanding any other provision of these Articles, no action or decision will be taken by the Board (including by way of passing resolutions by circulation) in respect of any of the matters listed in this Article 37(c) without the prior written consent of SAIF, Tiger, Sequoia III, the New Investors (acting jointly) and the Promoters, provided however that for the matter listed in (xxi) of Article 37(c), the prior written approval of the New Investors shall not be required if the IPO or the Qualified IPO does not consist, in whole or in part, of a fresh primary issuance of Shares

- (i) Any increase, reduction, sub-division, re-organisation, reclassification of the authorized, issued, or paid up share capital of the Company; or any issuance, grant, repurchase or cancellation of any shares or other securities of the Company (other than in pursuance of an employee stock option plan, of up to 4% (four percent) of the Company’s fully-diluted equity Share capital; provided, however, that neither the Promoters nor their relatives shall be issued/granted any employee stock options) or any change in rights attached to any class of shares or conversion of any security into, any share capital of the Company or Transfer of equity interests in the Company to any third parties and the terms and conditions of any of the foregoing;
- (ii) Any transaction or a series of transactions which would entail the sale, lease, Transfer, disposal or encumbrance of 5% (five percent) or more of the Company’s assets or property including intellectual property rights of the Company in any financial year; provided that aforesaid threshold of 5% (five percent) shall not be applicable in the case of intellectual property rights or other intangible asset;
- (iii) Any merger, acquisition, consolidation, reorganization, amalgamation or other business combination involving the Company, investment decisions (except for any decisions relating to any investments of surplus cash (over and above the amounts required under the annual budget) in government securities and mutual funds) including creation of any subsidiary or other controlled entity and any action for winding up or liquidation of the Company or for the appointment of a receiver or liquidator;
- (iv) Capital expenditure, incurrence of or early repayment of indebtedness of the Company and/or acquisition or sale/lease of any asset of INR 1,00,00,000/- (Rupees One Crore only);
- (v) Capital expenditure in excess of an amount of INR 50,00,000/- (Rupees Fifty Lakhs only) in a single transaction;
- (vi) Acquisition or sale of an asset in excess of an amount of INR 50,00,000/- (Rupees Fifty Lakhs only);



- (vii) Any change in the composition of the Board;
- (viii) Any agreement with a related party;
- (ix) Approval or amendment to the annual budget and the annual accounts of the Company;
- (x) Any appointment, change or removal of the Chief Executive Officer, chief operating officer and Chief Financial Officer of the Company other than Mr. V.S.S. Mani or adoption or amendment of their employment contracts with the Company;
- (xi) The entering into, variation or termination of any agreement material to the business of the Company or outside the ordinary scope of business of the Company;
- (xii) Any change in the statutory Auditors of the Company (if the statutory Auditor is a company other than a member of a Big Four firm);
- (xiii) Any determination by the Board of the fair market value of any securities or assets of any Person;
- (xiv) Any payment of dividend and/or buyback of Shares;
- (xv) Inter-company deposits or financial transactions with any other company other than a wholly-owned subsidiary;
- (xvi) Inter-company financial transactions greater than ₹ 20,00,000/- (Rupees Twenty Lakhs only) with a wholly-owned subsidiary;
- (xvii) Investments by the Company in any other company or business of amounts greater than ₹ 4,50,00,000 (Rupees Four Crores Fifty Lakhs only);
- (xviii) Any amendment to the Memorandum of Association and Articles of Association including the creation of a subsidiary and/or any amendment to the Memorandum of Association and Articles of Association of the subsidiary or the commencement of any business other than the Company Business;
- (xix) Appointment of any sole selling agent for the Company;
- (xx) Appointment/changes in the terms of any Director/key employee or compensation structure or any scheme of profit sharing for the benefit of the management or any employee;
- (xxi) The pricing and timing, appointment of merchant bankers, advisors, etc. and determination of all other terms and conditions of an IPO of the Company and/or any of its subsidiaries or an offer for sale of shares, other than a Qualified IPO;
- (xxii) The acquisition of any other business;
- (xxiii) Any major changes in the Company's financial year or in its accounting policies, except those that are necessitated by regulatory requirements;
- (xxiv) Any change in the registered office of the Company; and
- (xxv) Any commitment or agreement or delegation of powers to do any of the foregoing.”

### **Meetings of the Board**

Article 42 provides that

- “a) The Board shall hold no less than (i) 1 (one) meeting every 3 (three) calendar months and (ii) 4 (four)

meetings in any given financial year. Such meetings shall be held at the Company's registered office in India or such other place as the Board may from time to time determine. No less than 15 (fifteen) calendar days' prior written notice of every meeting of the Board shall be given to every Director of the Board, whether such Director is based or located in India or abroad; provided, however, that, any given meeting of the Board may be held upon shorter notice if all the Directors waive such notice period. Such notice shall be sent by registered post, courier and e-mail, and shall be accompanied by the agenda setting out the business proposed to be transacted at such meeting of the Board. Upon receipt of notice, every Director must inform the Chairman and the company secretary in writing of his/ her intention to attend the meeting or seek leave. No meeting shall be conducted unless 1 (one) Director nominated by each of SAIF, the Sequoia Investors (acting collectively) and Tiger have furnished a written response by registered post, courier or email to the notice requesting a Board meeting prior to such meeting either confirming participation or seeking leave. Any Director may participate in Board meetings through video conference, subject to compliance with Applicable Law.

- b) Any Director may request the Chairman to call a meeting of the Board. Upon such request, the Chairman shall call a meeting of the Board.
- c) Minutes of each meeting of the Board shall be taken and kept by the company secretary in the books of the Company. Copies of the minutes of each such meeting shall be delivered to each member of the Board as soon as practicable. If a member is not present at any Board meeting, copies of all documents considered by the Board at such meeting shall be promptly delivered to him with a copy of the relevant minutes. No subsequent meeting (whether adjourned or not) shall be held unless such member has acknowledged receipt of the relevant documents and minutes.
- d) To the extent permissible by Applicable Law, the Directors may participate in a meeting of the Board or any Committee thereof, through electronic mode, that is, by way of video conferencing i.e., audio visual electronic communication facility. The notice of the meeting must inform the Directors regarding the availability of participation through video conferencing. Provided that, every Director must attend in person, at least one meeting of the Board or a Committee thereof, in a financial year. Any Director participating in a meeting through the use of video conferencing shall be counted for the purpose of quorum.
- e) Notwithstanding any other provisions of these Articles, a resolution in writing signed by all Directors (which resolution may consist of several counterparts) shall be as valid and effective as if it had been adopted by a duly convened meeting of the Board."

### **Quorum**

Article 43 provides that "The presence in person of at least 3 (three) Directors on the Board shall be required to constitute a quorum at a meeting of the Board or committee thereof; provided, however, that at meetings where matters listed in Article 37(c) above are to be discussed no quorum shall exist unless 1 (one) Director nominated by SAIF, 1 (one) Director nominated by Tiger, 1 (one) Director nominated by the Sequoia Investors (acting collectively) and 1 (one) Director nominated by the Promoters is present at the meeting. In the absence of a quorum as set above, the meeting of the Board or committee thereof shall be adjourned by the Directors present and shall be reconvened at a date 14 (fourteen) days thereafter at the same time and place. At any such adjourned meeting, subject to this Article 43, the presence of at least 3 (three) Directors on the Board shall be required to constitute a quorum. Any of the Shareholders may waive their rights under this Article 43 in relation to any particular meeting of the Board by notification in writing or by electronic mail to the Company."

### **General Meeting of Shareholders**

Article 45 provides that

- "a) Meetings: The Company shall hold no less than one (01) general meeting of the Shareholders in any given calendar year. Except as provided in this Article 45, all general meetings of the Shareholders shall be governed by Applicable Law and the Memorandum of Association and Articles of Association. The

Chairman of the Board shall preside at all general meetings of the Shareholders provided that the Chairman of a general meeting shall not have a casting vote. If the Chairman is absent or fails to serve as the presiding officer at any such general meeting of the Shareholders, a Director as may be mutually agreed to by the Shareholders shall preside in the Chairman's place.

- b) Notice: Prior written notice of 21 (twenty one) calendar days shall be given to the Shareholders for all general meetings of the Shareholders; provided, however, that any given meeting of the Shareholders may be held upon shorter notice if each of Tiger, SAIF, the Sequoia Investors (acting collectively) and the Promoters waive such notice period in accordance with the provisions of Applicable Law. Such notice shall be accompanied by the agenda setting out the business proposed to be transacted at such meeting of the Shareholders. Upon receipt of notice, every Shareholder must inform the Board in writing of its intention to attend (or not attend) the meeting. No meeting shall be conducted unless all Shareholders have furnished a written response by registered post, courier or email to the notice requesting the meeting prior to such meeting either confirming participation (in person or otherwise) or non-participation.
- c) Quorum: The quorum for a general meeting of the Shareholders shall be the presence in person of at least 5 (five) members; provided, however, that no quorum shall exist until at least 1 (one) nominee or representative appointed or authorized by each of SAIF, Tiger, the Sequoia Investors (acting collectively) and the Promoters are physically present at the meeting, provided such right may be waived by SAIF, Tiger, the Sequoia Investors (acting collectively) and the Promoters by notification in writing or by electronic mail to the Company. In the absence of a quorum, the general meeting of the Shareholders shall be adjourned by the Shareholders present and shall be reconvened on such date, time and place as may be decided by the Board. Subject to Article 45 (d)(iii) below, at any such adjourned general meeting of the Shareholders, the presence in person of any 2 (two) members shall constitute a quorum, provided, however, that if the adjourned meeting is an extraordinary general meeting of the Shareholders, no quorum shall exist until at least one nominee or representative appointed or authorized by each of SAIF, Tiger, the Sequoia Investors (acting collectively) and the Promoters are physically present at such adjourned meeting. Prior written notice of 30 (thirty) days shall be given to all the Shareholders in order to reconvene such adjourned meetings; provided, however, that any given general meeting of Shareholders may be held upon shorter notice if all the Shareholders waive such notice period.
- d) Voting Requirements:
  - i. Except as required under Applicable Law and subject to Article 45(d)(iii) below, the vote of a majority of the Shareholders present at a validly called meeting (including, without limitation, a reconvened meeting) at which a quorum is present shall be required for any action to be taken by the Shareholders. At each general meeting of the Shareholders, each Shareholder shall have the voting rights in proportion to such Shareholders' share of the total issued and outstanding Shares.
  - ii. Notwithstanding any other provisions of this Article 45, a resolution in writing signed by all Shareholders (which resolution may consist of several counterparts) shall be as valid and effective as if it had been passed at a duly convened Shareholders' meeting.
  - iii. Notwithstanding any other provision in these Articles, no action or decision will be taken by the Shareholders in respect of any of the matters listed in Article 37(c) above (including any action in a meeting of the Shareholders or any action without such a meeting, whether by adopting resolutions by circulation or otherwise) without the prior written consent of SAIF, Tiger, Sequoia III and the New Investors (acting jointly), provided that the issuance of the Shares pursuant to the Subscription Agreement shall expressly fall outside the scope of this Article 45(d)(iii), and provided further that for the matter listed in (xxi) of Article 37(c), the prior written approval of the New Investors shall not be required if the IPO or the Qualified IPO does not consist, in whole or in part, of a fresh primary issuance of Shares.
  - iv. No decision of the Board shall be taken with respect to any matter listed in Article 37(c) with respect to which any Director is considered an interested Director under Applicable Law, unless such matter has been approved at a meeting of the Shareholders in the manner set forth in Article 45(d)(iii) hereinabove."

## **Dividend**

Article 47 provides that

- “a) The provisions of this Article 47 shall be subject to SAIF’s and Tiger’s and Sequoia’s affirmative rights as provided under Articles 37(c).
- b) The Company may, in general meeting, declare dividend but no dividend shall exceed the amount, if any, as may be recommended by the Board.
- c) Subject to the provisions of the Act and these Articles, the profits of the Company, subject to any special rights or privileges thereto created or authorised to be created by these Articles or under the Act, in pursuance of the terms of issue of those Shares, and generally subject to the provisions of these Articles, shall be divisible among the members in proportion to the amount called upon the Shares held by them.
- d) Subject to the provisions of these Articles, the Board may, from time to time, pay to the members such interim dividend as they think fit and justifiable. However, they shall be responsible to comply with the requirements under the Act.
- e) The Company shall pay dividend in proportion to the amount paid -up or credited as paid-up on each Share.

## **Transactions with the Company**

Article 52 provides that “No Shareholder or its Affiliates shall engage in any transaction with the Company that is less favourable to the Company than the terms that would be available to the Company in a comparable transaction which is conducted on the basis of arm’s-length dealings with a third party.”

## **Non-Compete**

Article 53 provides that “Without the prior consent of the Investors, neither any Promoters nor any Affiliate of such Promoters shall directly or indirectly invest in, acquire, engage in, solicit business for, assist or otherwise cooperate with any Person (other than the Company and the Company’s Subsidiaries) that directly or indirectly is engaged (or engages) in any business that competes or that reasonably would compete with the business of the Company or any of the Company’s subsidiaries.”

## **Winding Up**

Article 54 provides that “Subject to Applicable Law, if the Company shall be liquidated, dissolved or wound up, and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid -up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid-up or which ought to have been paid-up at the commencement of the winding up, on the shares held by them respectively, and if in a winding- up, the assets available for the distribution among the members shall be more than sufficient to repay the whole of the paid-up capital of the Company at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital paid-up or ought to have been paid-up at the commencement of the winding up, on the shares held by them respectively. However, this Article 54 is without prejudice to the rights of the holders of shares issued or allotted upon special terms and conditions.”

## **Secrecy**

Article 60 provides that “Every Director, manager, officer, Auditor, treasurer, trustee, member of any committee, agent, servant, accountant or any other Person employed, hired, associated or retained in the business of the Company shall pledge himself to observe strict secrecy, respecting all transactions or business of the Company with the customers or any other Person and the state of accounts with individuals or Persons, and in matters relating thereto, and shall pledge himself not to reveal any of the matters or technical information, which may come to his

knowledge in the discharge of his duties, except when required so to do by the Board or by any meeting of the members, or by a Court of Law, or by any Person to whom the matters relate and, except so far as may be necessary, in order to comply with any of the provisions of the Act, the law or statutes generally, and further of or under these presents.”

## SECTION IX: OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Red Herring Prospectus) which are or may be deemed material have been attached to the copy of this Red Herring Prospectus to be delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days until the Bid/Offer Closing Date.

#### A. Material Contracts for the Offer

1. Engagement Letter executed on May 8, 2013 between our Company, the Selling Shareholders and the BRLMs.
2. Offer Agreement dated August 13, 2012 between our Company, the Selling Shareholders and the BRLMs, amended and restated by agreement dated May 8, 2013.
3. Memorandum of Understanding dated August 13, 2012 between our Company, the Selling Shareholders and the Registrar to the Offer, amended and restated by agreement dated May 8, 2013.
4. Escrow Agreement dated [●] between our Company, the Selling Shareholders, the BRLMs, Escrow Collection Bank and the Registrar to the Offer.
5. Share Escrow Agreement dated [●] between our Company, the Selling Shareholders and the Escrow Agent.
6. Syndicate Agreement dated [●] between our Company, the Selling Shareholders and the BRLMs.
7. Underwriting Agreement dated [●] between our Company, the Selling Shareholders and the BRLMs.
8. Safety Net Agreement dated [●] between *inter alia* our Company, the Safety Net Providers, the BRLMs, the Safety Net Escrow Bank and the Registrar.

#### B. Material Documents

1. Certified copies of the updated Memorandum and Articles of Association of our Company as amended from time to time.
2. Certificate of Incorporation dated December 20, 1993.
3. Resolution of the Board of Directors dated August 11, 2012, as modified by resolution dated April 3, 2013, in relation to this Offer and other related matters.
4. Resolution passed by our Shareholders at the extra-ordinary general meeting held on August 2, 2011 appointing V.S.S. Mani as the Managing Director of our Company with effect from August 1, 2011.
5. Resolution passed by our Shareholders at the extra-ordinary general meeting held on August 2, 2011 appointing V. Krishnan as a whole-time director of our Company with effect from August 1, 2011.
6. Final observation letters bearing ref. no. CFD/DIL/ISSUES/HB/PS/6827/2013 dated March 20,

2013 and bearing ref. no. CFD/DIL/ISSUES/HB/PS/10775/2013 dated May 7, 2013, issued by SEBI.

7. Letters dated April 8, 2013 approving the Offer from V.S.S. Mani, Ramani Iyer and V. Krishnan, respectively.
8. Resolution dated April 9, 2013 passed by the board of directors of SAIF approving the Offer.
9. Resolution dated March 25, 2013 passed by the board of directors of Tiger Global Four JD Holdings approving the Offer.
10. Resolution dated March 25, 2013 passed by the board of directors of Tiger Global Five Indian Holdings approving the Offer.
11. Resolution dated April 3, 2013 passed by the board of directors of Sequoia III approving the Offer.
12. Resolution dated April 3, 2013 passed by the board of directors of EGCS approving the Offer.
13. Resolution dated April 3, 2013 passed by the board of directors of SAPV approving the Offer.
14. Consent from SAIF dated April 24, 2013 in relation to the Offer.
15. Consent from Sequoia III dated April 4, 2013 in relation to the Offer.
16. Consent from Tiger Global Four JD Holdings dated April 24, 2013 in relation to the Offer.
17. Consent from Tiger Global Five Indian Holdings dated April 24, 2013 in relation to the Offer.
18. Consent from EGCS dated April 4, 2013 in relation to the Offer.
19. Consent from SAPV dated April 25, 2013 in relation to the Offer.
20. Subscription Agreement dated October 3, 2006 between SAIF and our Company.
21. Subscription Agreement dated April 19, 2007 between SAIF, Tiger Global Four Holdings, Tiger Global Principals Limited, V.S.S. Mani and our Company.
22. Share purchase agreement dated June 16, 2009 between Sequoia III, Tiger Global Five Holdings, Tiger Global Principals Limited, SAIF, Raj Koneru, Clearmist Limited, Vemuri Sneha Prabha and our Company.
23. Share subscription agreement dated February 10, 2011 between Amitabh Bachchan and our Company.
24. Share purchase agreement dated May 23, 2011 between Ramani Iyer, V. Krishnan, EGCS Investment Holdings, SAPV (Mauritius) and our Company.
25. Subscription Agreement dated May 23, 2011 between EGCS Investment Holdings, SAPV (Mauritius) and our Company.
26. Share purchase agreement dated June 21, 2012 between Sequoia I, Sequoia II, V.S.S. Mani, Sandipan Chattopadhyay, Koora Srinivas and our Company.
27. Share purchase agreement dated June 22, 2012 between SAPV, V. Krishnan, certain shareholders of our Company and our Company.

28. Share subscription agreement dated June 21, 2012 between Sequoia I, Sequoia II and our Company.
29. Amended and Restated Shareholders Agreement dated June 21, 2012 between our Company, our Promoters, Sequoia I, Sequoia II, SAIF, Sequoia III, EGCS, SAPV and Tiger Global.
30. Letter dated August 9, 2012 from our Company and our Promoters to SAIF, Tiger Global, Sequoia I, Sequoia II, Sequoia III, EGCS and SAPV.
31. Scheme of Arrangement dated November 16, 2006 between RRR Computech (India) Private Limited, our Company and their respective shareholders.
32. Scheme of Arrangement between Just Dial Global Private Limited and its shareholders and creditors.
33. Scheme of Arrangement between our Company, Just Dial Global Private Limited and their respective shareholders and creditors and the order of the High Court of Bombay dated October 14, 2011.
34. Agreement for sale of assets dated March 29, 2011 between JD Global and our Company.
35. Services agreement dated March 29, 2011 between JD Global and our Company.
36. Sale/share transfer agreement dated July 21, 2011 between our Company, JD Global and JD USA
37. Trademark license agreement dated August 10, 2011 between JD USA and our Company.
38. Copies of the annual reports of our Company for the last five financial years.
39. The examination report of the Auditor dated August 8, 2012 on the restated consolidated summary statements and the examination report of the Auditor dated April 3, 2013 on the restated unconsolidated summary statements, included in this Red Herring Prospectus.
40. The statement of tax benefits dated April 17, 2013 from the Auditor.
41. Consent of our Directors, the BRLMs, Domestic Legal Counsel to our Company, Domestic Legal Counsel to the Underwriters, International Legal Counsel to the Underwriters, Registrars to the Offer, Escrow Collection Banker, Bankers to the Offer, Bankers to our Company, Company Secretary and Compliance Officer as referred to in their specific capacities.
42. Due Diligence Certificate dated August 13, 2012 addressed to SEBI from the BRLMs.
43. In-principle listing approvals dated October 11, 2012, September 24, 2012 and April 12, 2013 issued by the BSE, the NSE and MCX-SX respectively.
44. Tripartite Agreement dated October 14, 2011 between our Company, NSDL and the Registrar to the Offer.
45. Tripartite Agreement dated September 30, 2011 between our Company, CDSL and the Registrar to the Offer.
46. IPO Grading Report dated April 16, 2013 by CRISIL.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the



shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## **DECLARATION**

The undersigned Selling Shareholder, hereby certifies that all statements made in this Red Herring Prospectus are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any other Selling Shareholder in this Red Herring Prospectus, except statements made by the undersigned Selling Shareholder in relation to itself as a Selling Shareholder and the Equity Shares offered and sold in the Offer.

**Signed by the Selling Shareholder**

**V.S.S. Mani**

## **DECLARATION**

The undersigned Selling Shareholder, hereby certifies that all statements made in this Red Herring Prospectus are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any other Selling Shareholder in this Red Herring Prospectus, except statements made by the undersigned Selling Shareholder in relation to itself as a Selling Shareholder and the Equity Shares offered and sold in the Offer.

**Signed by the Selling Shareholder**

**Ramani Iyer**

## **DECLARATION**

The undersigned Selling Shareholder, hereby certifies that all statements made in this Red Herring Prospectus are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any other Selling Shareholder in this Red Herring Prospectus, except statements made by the undersigned Selling Shareholder in relation to itself as a Selling Shareholder and the Equity Shares offered and sold in the Offer.

**Signed by the Selling Shareholder**

**V. Krishnan**

## **DECLARATION**

The undersigned Selling Shareholder, hereby certifies that all statements made in this Red Herring Prospectus are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any other Selling Shareholder in this Red Herring Prospectus, except statements made by the undersigned Selling Shareholder in relation to itself as a Selling Shareholder and the Equity Shares offered and sold in the Offer.

**Signed by the Selling Shareholder**

**For SAIF II Mauritius Company Limited**

## **DECLARATION**

The undersigned Selling Shareholder, hereby certifies that all statements made in this Red Herring Prospectus are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any other Selling Shareholder in this Red Herring Prospectus, except statements made by the undersigned Selling Shareholder in relation to itself as a Selling Shareholder and the Equity Shares offered and sold in the Offer.

**Signed by the Selling Shareholder**

**For Sequoia Capital India Investments III**

## **DECLARATION**

The undersigned Selling Shareholder, hereby certifies that all statements made in this Red Herring Prospectus are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any other Selling Shareholder in this Red Herring Prospectus, except statements made by the undersigned Selling Shareholder in relation to itself as a Selling Shareholder and the Equity Shares offered and sold in the Offer.

**Signed by the Selling Shareholder**

**For Tiger Global Four JD Holdings**

## **DECLARATION**

The undersigned Selling Shareholder, hereby certifies that all statements made in this Red Herring Prospectus are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any other Selling Shareholder in this Red Herring Prospectus, except statements made by the undersigned Selling Shareholder in relation to itself as a Selling Shareholder and the Equity Shares offered and sold in the Offer.

**Signed by the Selling Shareholder**

**For Tiger Global Five Indian Holdings**



## **DECLARATION**

The undersigned Selling Shareholder, hereby certifies that all statements made in this Red Herring Prospectus are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any other Selling Shareholder in this Red Herring Prospectus, except statements made by the undersigned Selling Shareholder in relation to itself as a Selling Shareholder and the Equity Shares offered and sold in the Offer.

**Signed by the Selling Shareholder**

**For EGCS Investment Holdings**

## **DECLARATION**

The undersigned Selling Shareholder, hereby certifies that all statements made in this Red Herring Prospectus are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any other Selling Shareholder in this Red Herring Prospectus, except statements made by the undersigned Selling Shareholder in relation to itself as a Selling Shareholder and the Equity Shares offered and sold in the Offer.

**Signed by the Selling Shareholder**

**For SAPV (Mauritius)**

## DECLARATION

All relevant provisions of the Companies Act and the guidelines issued by the Government or the regulations or guidelines issued by SEBI, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SEBI Act or rules or regulations made thereunder or guidelines issued, as the case may be. We further certify that all the statements in this Red Herring Prospectus are true and correct.

### SIGNED BY THE DIRECTORS OF OUR COMPANY

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**V.S.S. Mani**  
(Managing Director)

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**B. Anand**  
(Chairman and Independent, Non-Executive Director)

---

**Ramani Iyer**  
(Non-Independent, Non-Executive Director)

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**V. Krishnan**  
(Non Independent, Executive Director)

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**Ravi Adusumalli**  
(Non Independent, Non-Executive Director)

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**Sanjay Bahadur**  
(Independent, Non-Executive Director)

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**Malcolm Monteiro**  
(Independent, Non-Executive Director)

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**Shailendra Jit Singh**  
(Non-Independent, Non-Executive Director)

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**Ramkumar Krishnamachari**  
(Chief Financial officer)

Date: May 8, 2013

Place: Mumbai

CONFIDENTIAL

Ref.: JDL \ CS \ 07-02-13 \ 145

Dated: April 16, 2013

Mr. Ramkumar Krishnamachari,  
CFO,  
Just Dial Limited,  
Palm Court, Building-M, 501/B, 5th Floor,  
Besides Goregaon Sports Complex,  
New Link Road, Malad (West),  
Mumbai 400 064

Dear Mr. Ramkumar Krishnamachari,

**Ref: CRISIL IPO Grading for the Initial Public Offer of Equity Shares of Just Dial Limited**

We refer to your request for an IPO Grading and the Grading Agreement for the captioned equity issue.

CRISIL has, after due consideration, assigned a **CRISIL IPO Grade "5/5"** (pronounced "five on five") to the captioned equity issue. This grade indicates that the fundamentals of the Issue are strong relative to other listed equity securities in India.

The assigned grade is a one time assessment valid till June 15<sup>th</sup> 2013. In the event of your company not opening the captioned issue before June 15<sup>th</sup> 2013, or in the event of any change in the size/structure of the issue, a fresh letter of revalidation from CRISIL shall be necessary.

As per our Grading Agreement, CRISIL shall disseminate the assigned Grade through its publications and other media once the company agrees to the same.

Should you require any clarifications, please feel free to contact us.

With warm regards,

Yours sincerely,



Mohit Modi  
Director, Equity Research

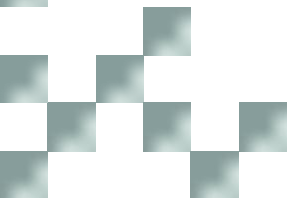


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Senior Research Analyst, Equity Research

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# Just Dial Ltd

One-time assessment

CRISIL IPO Grade 5/5 (Strong)

April 16, 2013

## Grading summary

CRISIL has assigned CRISIL IPO grade '5/5' (pronounced 'five on five') to the proposed IPO of Just Dial Ltd (Just Dial). This grade indicates that the fundamentals of the IPO are strong relative to other listed equity securities in India. However, this grade is not an opinion on whether the issue price is appropriate in relation to the issue fundamentals. The grade is not a recommendation to buy, sell or hold the graded instrument, its future market price or suitability for a particular investor.

Just Dial launched the first phone-based search engine in India. The assigned grade takes into account Just Dial's huge local search database (9.0 mn products and service providers), the largest in India, and a business model which has been difficult to replicate. Its search volume has grown multi-fold courtesy quick service, relevant search results, updated database and technology, leading to a strong brand image. It has successfully grown its paid campaigns by more than four times over FY09-12 to 171,000 in end-FY12 (195,100 in 9MFY13) and enjoys 100% advance payments from its clients, who are mostly micro, small and medium enterprises (MSMEs).

The grade takes cognizance of Just Dial's experienced and proactive management personnel, who have enabled the company to meet users' expectations on two fronts: technology and search content. Having started with only phone-based search, the management has moved with the times to embrace the new-era media of mobile phones (SMS), internet and mobile internet. Further, the company has indigenously developed its technology platform and search algorithm which enable it to provide search results that are relevant to users' requirements. The number of search requests across all search platforms was 254.3 mn in FY12 (267.2 mn in 9MFY13), up from 82.2 mn in FY09.

While Just Dial has consistently innovated itself and stayed ahead of competitors, any aggressive move by larger players such as Google India is a key monitorable. As the company grows, maintaining management bandwidth to oversee the growth will be a challenge, particularly in the backdrop of expansion in the US and Canada through a different promoter entity. Also, Just Dial has to keep itself abreast of new technologies and new applications to stay ahead of the pack.

Just Dial has grown its revenues at a four-year CAGR of 39% to ₹2,621 mn in FY12 and improved its PAT margin to 20% in FY12 from 2.4% in FY08. Accordingly, RoE improved to 53.6% in FY12 from 6.7% in FY08. It reported EPS of ₹9.4 in FY12. The company is debt-free with a negative working capital cycle.

## Grade

CRISIL IPO Grade '5/5': This grade indicates that the fundamentals of the issue are strong relative to other listed equity securities in India. However, this grade is not an opinion on whether the issue price is appropriate in relation to the issue fundamentals.

## About the company

- Just Dial was incorporated in 1993 as A&M Communications Pvt. Ltd by Mr V.S.S. Mani. The local search services business was started three years later. Over the years, Just Dial has expanded its operations across India with a strong presence in top 11 large cities to become India's leading local search services player.
- Just Dial provides search services across two main genera: company search – related to any specific or any business need; category search - products or services based on a given classification, location or key words. Having started with live operator-assisted phone (voice) search service, it has subsequently launched internet, mobile-internet and SMS-based services. The search service is free for users; the company generates revenues from paid advertisers who subscribe to its fee-based campaign packages to be given priority ranking in the search results.

## Key milestones

Year	Event
1993	A&M Communications Pvt. Ltd was incorporated
1996	Commencement of local search services in Mumbai with the telephone number - 888 8888
1997	The brand 'Just Dial' was registered
2000	Secondary sale of 50% stake by the promoters to Indiainfo.com Pvt. Ltd
2006	Investment of ₹546.9 mn by SAIF II Mauritius Company Ltd (SAIF)
2006	Change of the company's name from A&M Communications Pvt. Ltd to Just Dial Pvt. Ltd
2007	Launch of the company's website <a href="http://www.justdial.com">http://www.justdial.com</a>
2007	Investment of ₹165.3 mn by Tiger Global Four Holdings and Tiger Global Principals Ltd and second round of investment of ₹40.1 mn by SAIF
2007	Launch of mobile internet and SMS-based search services
2009	Investment of ₹383.5 mn by Sequoia Capital India Investments III (Sequoia Capital), ₹308.8 mn by Tiger group and ₹95.9 mn by SAIF
2011	Investment of ₹166.9 mn by SAPV (Mauritius) and ₹166.9 mn by EGCS Investment Holdings
2012	Investment of ₹3,269.5 mn by Sequoia Capital India Growth Investment Holdings I, SCI Growth Investments II and second round of investment by SAPV (Mauritius).

Source: DRHP

## Issue details

Type of issue	Offer for sale
Shares offered to public	Up to 9,554,307 shares (as per DRHP; may be altered )
As per cent of post issue equity	Not available at the time of grading
Price band	Not available at the time of grading
Lead managers	Citigroup Global Markets India Private Ltd & Morgan Stanley India Company Private Ltd

Source: DRHP, CRISIL Research

## Detailed Grading Rationale

### A. Business Prospects

#### *First-mover advantage and strong brand recall*

Just Dial launched the first phone-based search engine in India. Beginning with just two cities – Mumbai and Delhi – today its services are available across the country. Having initiated search operations via only phone, six years ago it embraced the new-era media of the internet, mobile internet and SMS. Today, Just Dial is the most preferred brand in the local search engine space primarily due to highly satisfactory user experience. Contact numbers for its voice search - 88888 88888 and 6999 9999 - have a strong recall.

#### *Consistent growth in database...*

Just Dial's database lists 9.0 mn businesses as of February 2013 (4.5 mn as of end-FY10), mostly MSMEs. New data is added and updated regularly by 314 employees. To expand its network in existing and new cities, it has appointed resellers to collect data from their respective territories. More than just the scale of its database, Just Dial's ability to consistently keep it updated has been the reason for strong growth in usage of its search services.

Number of MSMEs and contribution to GDP expected to increase: Growth in the number of MSMEs has picked up over FY05-FY12 (CAGR of 18% to 31.2 mn MSMEs) after a modest growth in the previous decade (CAGR of 4% over FY00-FY05). MSMEs' production in terms of gross output has grown steadily from ₹7,094 bn in FY07 to ₹10,958 bn in FY11, at a CAGR of 11.5%.

#### *... and innovation in search platforms...*

Just Dial has made the database (listings) more relevant and convenient to use:

- Segmentation of listings through the use of geo-codes to increase the relevance of search results to users' requirements.
- Allowing users the option to search using either voice (39% to total search requests in 9MFY13) or internet (50%) or mobile internet (11%).
- An indigenously-developed algorithm platform provides search results that are relevant to users' requirements and at the same time offer an effective mix of paid and un-paid listings.
- An indigenously-developed platform supports faster turnaround of voice-based searches.
- Each of its eight centers, which support voice-based search, can act as disaster recovery centers for others, if necessary, to ensure continuous support for voice-based searches.
- Reviews and ratings: Just Dial also encourages its users to provide reviews and ratings of products or services used by them. It has already received 23.0 mn reviews and ratings as of end-FY13 (7.4 mn as of end-FY12). Also, its "Tag Your Friend" feature helps users see the ratings and reviews from their friends, effectively creating a social network for sharing user experiences.
- Reverse auction: Users are asked if they want product/service providers to call them for their requirement. If a user opts for the same, he/she gets an SMS with details of offerings from different providers who also call up the user for his/her requirements. This enables the user to make an informed decision without directly reaching out to product or service providers.

- Buy data: Just Dial has used data analytics to leverage its existing database to extract information which enables it to provide structured data to other businesses. It launched the 'buy data' service in February 2012. Through this service, Just Dial enables its clients to download bulk business data for specific categories and geographic areas from its database.
- The company has recently introduced android-based mobile application through which a user can even call the relevant listing while making the search.

**... have resulted in strong growth in usage of services**

The relevance of Just Dial's database to its users is visible from the strong growth in the number of search requests, which have grown ~3x from 82.2 mn in FY09 to 254.3 mn in FY12 (267.2 mn in 9MFY13). The company has been able to keep its spending on sales and promotion low (3.4% of FY11 revenues and 6.5% of FY12 revenues) primarily due to strong word-of-mouth publicity by its users.

**Ability to monetise growth in searches - strong uptick in paid campaigns**

Just Dial's ability to grow the number of searches has also been complemented by its ability to convert free listings into paid listings/campaigns. Searches by users are potential business leads for listings, i.e., the return for their investment in advertising through Just Dial. They can measure business leads generated through Just Dial's search platform through:

- Details of the number of times the respective listing has been part of a search result.
- Reverse auction provides the respective listing with business leads to whom it can directly market and sell the products and services.

Historically, Just Dial has always taken 100% advance for paid campaigns, which has enabled it to operate with negative working capital. As a result, the company's receivables have been extremely low. This signifies its ability to consistently monetise growth across search platforms.

Internet advertising to grow at 34% over 2010-14: CRISIL Research expects advertising spends in 2013 to grow by 12% subject to a revival in the economy. Growth is expected to pick up momentum in the following years and we expect overall ad revenues to grow at 13% CAGR over the next four years to touch ₹553 bn by 2016. Internet advertising is expected to grow much faster at a CAGR of 34% to ₹28 bn in 2014. Search engines, being the largest contributor to internet advertising, are likely to benefit from this growth.



**Table 1: Comparison across advertisement mediums for local advertisements**

Advertisement medium	Local reach	Life-span of an ad	Consumer attention during the ad	Target marketing opportunity	Restriction of ad-inventory	Cost of advertising	Measurability of reach	Measurability of ROI
Newspapers	High	Low	Low	Low	Medium	Low	Medium	Low
Magazines	High	High	Medium	High	Medium	Medium	High	Medium
Television (national)	Medium	High	High	Low	High	High	Medium	Low
Television (regional)	High	High	High	Medium	High	Medium	Medium	Low
Radio	High	Medium	Medium	Medium	High	Low	Medium	Low
Outdoor	Medium	Low	Low	Medium	Medium	Low	Low	Low
Newsletters	High	Low	Medium	High	Low	Medium	Medium	Low
Brochures	High	Low	Medium	Medium	Low	Can be high	Low	Low
Direct mail	High	Low	Medium	High	Low	Can be high	High	Medium
Flyers/inserts	High	Low	Low	Medium	Medium	Low	Medium	Low
Telephone - Call	High	High	High	High	Medium*	High	High	Medium
SMS	High	Low	High	High	Medium*	Low	High	Low
Internet	Medium	Low	Low	High	Low	Low	High	Low
Yellow pages	High	Medium	Medium	Medium	Low	Low	Medium	Low
Search engine - like Google	High	Medium	High	High	Low	Low	High	Low
Local search engine – Online	High	Medium	High	High	Low	Low	High	High
Local search engine - Offline	High	Medium	High	High	Medium	Low	High	High

\* Due to restriction of no. of SMS from one number and applicability of 'do not call' regulation

**Source: CRISIL Research**

Local search engines are more effective than other ad media due to:

**Consumer attention and target marketing opportunity:** Paid campaigns are a part of the search results on specific category of products and services sought by the user, thus there is a 'pull effect' which drives high user attention.

**Cost of advertising:** The cost of advertising on local search engines is much lower than that of other media.

**Measurability of reach:** An advertiser can measure the reach of his/her ad across local search platforms such as telephones, SMS and internet.

### ***Avenues of growth: New offerings...***

On the one hand, Just Dial has accumulated a huge database of users and their consumption patterns and on the other, it has an extensive database of product and service providers. It plans to leverage its large database of listing and growing number of searches, taking advantage of the 'pull effect', and offer more services:

- 1. Targeted marketing campaigns:** Just Dial plans to leverage its database to generate targeted marketing data concerning consumer preferences and MSMEs. With the consent of its users, it plans to launch target marketing campaigns for its listings.
- 2. Structured data for business:** Just Dial also plans to use data analytics to leverage its existing user/search data to provide structured data to various businesses, products and services.
- 3. Quick Quotes:** This is another product in the pipeline. It will provide prospective buyers with a price quote from multiple vendors and will be available 24/7. Prospective buyers will also receive real-time updates of revised quotes by vendors through SMS and email. This service is expected to be available on all platforms (voice, SMS, internet and mobile internet).

### *... and geographical penetration*

**Existing cities:** Just Dial plans to expand its reach in cities where it already exists, and where we believe there are more opportunities to be tapped. The majority of its database is across 11 highly populated cities, where population is expected to further increase with higher urbanisation. It plans to market its search offerings to attract new users and increase the usage per user by providing solutions to multiple search requirements.

Just Dial plans to continue to update its search platforms to deliver measurable results to its listings and aggressively grow its first-time paid advertisers by offering specialised packages (along with its existing packages) with different ticket sizes, convert non-premium packages to premium packages and penetrate the existing free listings as ~2.2% of total listings are paid.

**Entering new cities:** Just Dial plans to enter new cities as well. For faster expansion in new cities at a low cost, it has appointed resellers to build databases and increase search usage by brand building.

### *Favourable industry dynamics*

#### **Growth in urbanisation and increase in household income in India expected to continue**

As per McKinsey's report "The 'Bird of Gold': The Rise of India's Consumer Market", the number of middle-class households (annual household income of between ₹0.1 mn and ₹1 mn) is expected to increase in the long term. This and higher urbanisation will drive 1) growth in consumption of goods and services and 2) higher demand for convenience solutions such as local search engines. Hence, the number of users and their usage of search services have huge growth potential.

#### **High telecom penetration, growth in internet and 3G subscribers to aid search engines**

**Telecom:** Search engines such as Just Dial have benefited from the telecom revolution in India, which has been a key enabler for voice-based searches. Over FY05-FY12, tele-density in India grew from 9% to 77% (919 mn subscribers) in FY12. This has been driven by higher telecom penetration, increasing affordability of handsets and calls (call rates down to 30-50 paise/minute). As a result, using search services on the phone has become convenient and affordable. This will drive growth in voice-based search services.

**Internet:** In India, growth in internet (wired dial-up + broadband) connections has lagged that in telecom due to lower penetration of computers and internet services as compared to telecom services. Over FY05-FY11, internet connections have grown at a CAGR of 29% (20 mn in FY11). This growth has predominantly been across MSMEs, and in metros and tier I cities. As per [www.internetworldstats.com](http://www.internetworldstats.com), an international website providing details of internet users across the globe, India has 121 mn internet users and internet penetration (% of population) of 10.2% as of December 2011.

**3G:** CRISIL Research expects 3G subscribers to grow to ~210 mn in FY18 from ~11 mn in FY12. This will be driven by expansion of 3G networks by telecom companies and affordable 3G-enabled handsets and data plans. Strong growth in smart phone/devices users along with affordable data plans will provide a push to searches through mobile internet and applications.

### **Local search services industry has low entry barriers...**

The local search services industry has low entry barriers as any player can:

- Establish a database of product and service providers
- Establish a search platform based on voice, internet, mobile WAP and SMS
- Conduct strong branding, sales and marketing to drive search requests
- Generate revenues through paid listings/campaign ads by providing competitive pricing
- As these factors would require significant initial investment (cash burn), a player with a strong balance sheet and willingness to invest in the initial period can enter and make an impact on the local search services industry.

### **... but Just Dial has been able to grow amidst competition**

While Just Dial started its services in 1996 and has had the first-mover advantage, competition exists. Getit has been present since 1986 and Sulekha.com has been present since 1998. Also, multiple players have been providing yellow page services, and other search engines – such as Google - have been present and popular for years.

**Table 2: Brief profile of competitors**

Sr No.	Name	Year of inception	Promoter	Platform	Database coverage (cities/towns)*	Listing (mn)	PE investor
1	Getit	1986	Delhi-based TEJ Bandhu group	Voice, online, print	~35	NA	ASTRO group, Helion Venture Partners
2	Just Dial	1996	Mr V.S.S. Mani	Voice, online, SMS, mobile internet	~1,800	~9	SAIF Partners, SAPV (Mauritius), Sequoia Capital India Investments III, EGCS Investment Holdings, Tiger Global Four JD Holdings and Tiger Global Five Indian Holdings
3	Sulekha.com	1998	Mr Satya Prabhakar, Founder and CEO	Online	~60	~2	IMG (New York), Norwest Venture Partners (Palo Alto), Mitsui (Tokyo)
4	Askaila	2007	Mr Kiran Konduri, Mr Shriram Adukoorie	Online, SMS	~1,700	NA	Matrix Partners, Lightspeed Venture Partners, SVB
5	Askme	2011	Television Eighteen India Ltd	Voice, online, print	>525	> 3	NA

\* Search engines may have different geographic classification methodologies, thus their reach may not be fully comparable.

**Source: Industry, CRISIL Research**

### **Just Dial vs local peers**

**Search platforms:** Just Dial's peers have been providing search services across voice, online, print (yellow pages) and SMS platforms. Convenience to users has been the common mantra.

**Reach:** Just Dial has developed a database of product and service providers in various cities and towns. Its voice-based search services are accessible in 250 cities through its main hotline number 6999 9999. These services can also be accessed across India through another hotline number +91 88888 88888. Askaila is present in 1,700 cities/towns and Askme in 525 cities/towns. Network reach - the depth of search coverage across cities where the service provider is present - is more important than the number of cities it operates in. While this information for Just Dial's peers is not available, growth in number of searches in case of Just Dial signifies the depth and relevance of its reach.

**Database:** As most of Just Dial's peers are private players, details of their databases are unavailable. Sulekha.com has a database of ~2 mn listings and Askme's database is more than 3 mn listings. Also, it is difficult to assess as to which database is consistently updated and which one provides relevant search results to users. Growth in number of searches is the only way to gauge the same which, again, is available only in Just Dial's case.

**Performance on the web:** Amongst the Indian websites, www.justdial.com has been ranked 40 in India by www.alexa.com, a provider of details of websites across the globe and their usages across various parameters. Just Dial's ability to grow its online search services is visible from the strong growth in online searches (three-year CAGR of 64% to 124.3 mn in FY12) and mobile internet searches (three-year CAGR of 127% to 23.8 mn in FY12).

**Table 3: Performance on the web\***

Name of the website	Ranks amongst Indian websites	Time spent on the website (min)*	Page views per user*
www.sulekha.com#	51	3.2	3.2
www.asklaila.com	161	2.3	2.8
www.askme.com	784	2.4	2.7
www.getit.in	883	2.4	2.7
<b>www.justdial.com</b>	<b>40</b>	<b>5.5</b>	<b>5.0</b>

\* For the past three months as on 04-Apr-2013

# also provides blog space and specific content related to jobs/careers, movie reviews amongst others.

**Source: www.alexa.com**

**Financial performance:** While Just Dial's peers may have been able to compete with Just Dial, though selectively, their historical financial performance shows that they have not been able to do so profitably. Just Dial's peers have incurred heavy losses in the past. Conversely, Just Dial has been profitable in the past decade. Also, Just Dial has consistently generated free cash flows.

### **International peers with similar business models**

In the international market, there are local search engines which provide services like Just Dial, and across voice, internet and mobile internet platforms.

**Yelp! Inc.**, incorporated in 2004, provides local search services and ratings/reviews (on a five-point scale) for the same across internet and mobile WAP platform in the US, Europe, the UK and many other countries. It also enables interaction amongst its users. It generates revenues through paid ads by local businesses.

**Table 5: Yelp! Inc.'s historical performance**

US \$ mn	2008	2009	2010	2011	9M2012	2008-2011 CAGR (%)
Net revenues	12.1	25.8	47.7	83.3	121.3	90%
Adjusted EBITDA	-5.3	-0.6	-5.7	-11.9	-16.1	NA
Net loss	-5.8	-2.3	-9.7	-16.7	-22.8	NA
<b>Operational matrix</b>						
Reviews (mn)	4.7	8.8	15.1	27.6	33.3	80%
Unique visitors (mn)	15.7	26.1	39.4	71.4	84.0	66%
Local business locations (no's)	25,000	120,000	307,000	N.A	889,000	N.A
Active local business accounts (no's)	4,000	7,000	11,000	21,000	35,500	N.A
Active local business as a % of claimed local business	16.0%	5.8%	3.6%	N.A	N.A	N.A

**Source: Company, CRISIL Research**

In 2005, **Jingle Networks** founded **1800FREE411**, a voice and online local search directory in the US and Canada. It generates revenues by playing a jingle, which is an advertisement, when a user makes a call for his/her local search requirement. It also provides free directory assistance on iPhone and android mobile apps. 1800FREE411 has reported 30 mn unique users a month. In April 2011, Marchex Inc., a US-based digital call advertising and small business marketing company, acquired Jingle Networks for US\$ 62.5 mn. It expects Jingle Networks' revenues to grow by 40% y-o-y to US\$ 26 mn.

## Google remains a key threat

The world's largest search engine - Google - has been present in India for many years, providing search services and navigation services through Google maps. Providing local search services in any country is passé for a global player such as Google. In India, it introduced interactive voice response (IVR)-based local search service in Hyderabad in April 2008. However, it was unable to achieve scale, making the business unviable. As a result, it closed this service in December 2010.

A comparison of Google India and Just Dial's FY12 financials highlights that the latter's revenues were ~22% of Google India's revenues (includes software development, IT-enables services and advertisement revenue through 'Adwords program'). Globally, Google's search services are based on technology while the search market in India requires collection and maintenance of database through feet-on-street and voice-based search option. Hence, the probability of Google re-entering the local search market is low but any such move by Google is a key monitorable.

**Table 6: Google India vs Just Dial**

(₹ mn)	Google India Private Ltd				Just Dial Ltd			
	CY08 12 month	FY10 15 month	FY11 12 month	FY12 12 month	FY09 12 month	FY10 12 month	FY11 12 month	FY12 12 month
Operating income	6,649	7,793	8,520	11,622	859	1,309	1,839	2,621
PAT	1,448	980	1,374	1,507	69	184	288	523
PAT Margin (%)	21.8%	12.6%	16.1%	13.0%	8.0%	14.1%	15.7%	20.0%

Source: Industry, Company, CRISIL Research

## LTE technology and affordable smart devices could provide users more online options

LTE technology is likely to provide a boost to data usage. This may attract domestic and international companies to provide mobile applications for local search services which could potentially be another big competition for Just Dial. While Just Dial continues to keep pace with new technologies (such as android-based applications), competition from newer applications and its ability to compete with them remains a monitorable.

## Experienced management but bandwidth is a monitorable

Just Dial's management, led by Mr Mani, has been proactive in consistently meeting customer expectations both on technology and search content. The company has been able to demonstrate stronger execution capabilities in the local search market than peers driven by a strong top management. For future growth, the company will have to ramp-up its senior and second line of management. Also, the company is heavily dependent on Mr Mani for strategic planning.

In Q2FY12, Just Dial demerged its US operations under Just Dial Global Pvt. Ltd (JD Global), which is owned by its promoters and Sequoia Capital. Currently, Just Dial's promoters, Mr Mani and Mr V. Krishnan, play an important role in the strategic planning and operations of Just Dial. JD Global provides local search services in the US as Just Dial provides in India. If JD Global's operations take away significant management bandwidth of Just Dial, it could adversely impact the latter's core operations in India.

## B. Financial Performance

Just Dial's revenues increased at 39% CAGR over FY08-FY12 to ₹2,621 mn in FY12 (₹2,645 mn in 9MFY13). The strong revenue growth was driven by growth in paid listings/campaigns which grew more than four times to 171,000 in FY12 from 40,500 in FY09 (195,100 listings in 9MFY13).

Employee cost is the largest cost for Just Dial. As a percentage of revenues, it declined to 49.9% in FY12 from 60.5% in FY08 as employee cost is not linear to revenues. Similarly, Just Dial's other operating costs, also not linear to revenues, declined - as a percentage of revenues - to 24.4% in FY12 from 34.5% in FY08. As a result, EBITDA margin increased to 25.7% in FY12 from 5.0% in FY08. As Just Dial's business is not capital intensive and it does not have net debt, improvement in EBITDA margin has led to an improvement in PAT margin. PAT margin increased to 20% in FY12 from 2.4% in FY08. Also, RoE improved to 53.6% in FY12 from 6.7% in FY08.

### Financial performance snapshot

Particulars	Unit	FY08	FY09	FY10	FY11	FY12	9MFY13#
Operating income	₹ mn	696	859	1,309	1,839	2,621	2,645
EBITDA	₹ mn	35	76	297	454	673	735
EBITDA margin	%	5.0%	8.8%	22.7%	24.7%	25.7%	27.8%
Net profit	₹ mn	17	69	184	288	523	471
Net profit margin	%	2.4%	8.0%	14.1%	15.7%	20.0%	17.8%
RoCE	%	3.1%	8.7%	45.3%	49.2%	59.3%	N.A
RoE	%	6.7%	17.3%	34.4%	36.8%	53.6%	N.A
Basic EPS*	₹	(0.7)	0.3	2.7	4.7	9.4	7.2
No. of equity shares (FV of ₹10)*	mn	0.9	0.9	0.9	51.9	51.9	69.4
Net worth	₹ mn	366	439	638	932	1,034	N.A
Net asset value per share*	₹	5.9	7.1	10.3	14.9	15.9	N.A
Current ratio	Times	1.2	1.3	1.5	1.4	1.3	N.A
Debt/equity ratio	Times	0	0	0	0	0	N.A

Figures have been reclassified as per CRISIL's standards

\* Adjusted for bonus shares issued in FY11 in the ratio 55:1.

\* Net asset value per share has been derived after retrospective adjustment of bonus issue and outstanding financial instruments

# 9MFY13 numbers are unconsolidated numbers; rest are consolidated numbers

**Source: DRHP, Company, CRISIL Research**

## C. Management Capabilities and Corporate Governance

Just Dial's top management is headed by promoter Mr V. S. S. Mani (MD and CEO). Along with his friends, he had co-founded a local search engine – Askme in 1989. Later, he transferred his stake in Askme to his friends. Prior to this, he worked for the yellow pages of United Database India Pvt. Ltd. Currently he holds 30.54% stake in Just Dial.

Mr V. Krishnan, promoter and executive director, has been associated with the company since its inception. He has 20 years of experience in strategic planning and execution. Just Dial has an experienced senior management team. Mr Sandipan Chattopadhyay, CTO, has been associated with Just Dial since January 1, 2009. He has 16 years of experience in technology. Prior to this, he was associated with E Dot Solutions India Pvt. Ltd. Mr Ramkumar Krishnamachari, CFO, has been associated with Just Dial since August 8, 2010. He has 22 years of experience in finance and accounting, and has worked with Royal Sundaram General Insurance Allied Company Ltd. Mr Koora Srinivas, deputy CFO and SVP - HR, has been associated with the company since December 1, 1999 and has 13 years of experience in finance and accounting. Mr Shreos Roy Chowdhury is the chief technical architect of the company. He has been with Just Dial since September 21, 2010 and has 16 years of experience in technology. Prior to this, he was associated with Reliance Big Entertainment Pvt. Ltd. The senior management is supported by an experienced and professional second line of management who, according to the company, have been associated with it since long.

The independent directors, though newly inducted, have a strong corporate background. The board consists of eight directors including three independent directors. Mr B. Anand, chairman, joined the company's board as an independent director in August 2011. Currently, he is the CFO Trafigura India Private Ltd. Mr Sanjay Bahadur joined the board as an independent director in August 2011. He has 29 years of experience in the field of construction. He is currently the CEO - global constructions and chemicals division - of Pidilite Industries Ltd. Mr Malcolm Monterio joined the board as an independent director in August 2011. He is the CEO of DHL Express, South Asia and a member of the DHL Asia Pacific management board. Mr Ravi Adusumalli represents SAIF Partners and has been on Just Dial's board since October 2006. He has 17 years of experience in the field of finance and investment. He is currently a managing partner and heads the India office of SAIF Partners. Mr Shailendra Jit Singh represents Sequoia Capital and has been on Just Dial's board since June 2012. He has 13 years of experience in the field of investment and financial services and is currently the managing director of Sequoia Capital India Advisors Private Ltd.

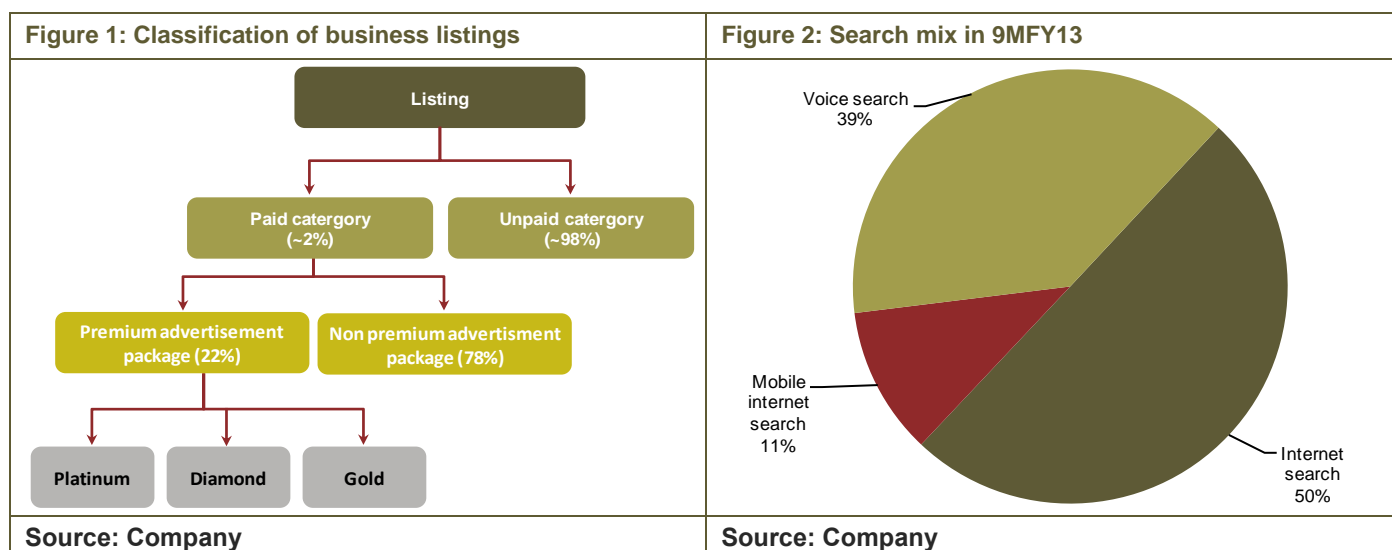
## Annexure I

### Business Model

**Searches by users:** Users contact Just Dial when they require contact details of a business or service provider. Just Dial reciprocates fast with updated but free information from its business listings. The number of search requests has increased to 254.3 mn in FY12 from only 82.2 mn in FY09 (267.2 mn in 9MFY13). Just Dial launched its internet and mobile internet platform in FY07; the number of searches on these later-added platforms have grown much faster than the growth in over-all searches and constituted ~61% of total searches in 9MFY13.

In addition to contact details of business listings, Just Dial also provides access to user reviews and ratings, enabling new users to take informed decisions. It also provides ‘reverse auction’ service through which a user, at the time of the search, can place a request for quotes for multiple business listing for his/her product or service requirement.

**Paid advertisers:** Just Dial has been able to monetise the growth in searches on its platforms by converting business listings into paid listings. Out of its database of 9.0 mn listings as of February 2013, 195,100 were paid listings (up from 40,500 paid listings in FY09). It provides annual and long-term membership to its paid advertisers on advance payment on a monthly or annual basis. Paid advertisers can opt for premium or non-premium advertisement packages. Premium advertisement packages (platinum, diamond and gold membership packages) allow preferential listing of these advertisers ahead of non-premium and free listing.



### Demerger of global operations

Just Dial had started its global search services business through its subsidiary JD Global. In FY11, it cancelled ~525,000 shares (totaling ₹5.25 mn) held by it in JD Global and invested ₹725 mn in cumulative redeemable (optionally convertible) preference shares. Thus, JD Global ceased to be a subsidiary of Just Dial and the balance shares were held by Just Dial’s promoters and Sequoia Capital. In Q2FY12, Just Dial demerged its investment in JD Global and issued equity shares to Just Dial’s shareholders. This resulted in write-down of ₹725 mn in the value of investments and net worth on Just Dial’s balance sheet. Post this transaction, Just Dial’s promoters hold 48.25% in JD Global and the balance shares are held by other existing shareholders of Just Dial.

Just Dial has also signed a service agreement with JD Global for providing IT infrastructure and support services to the latter at arm’s length basis. Just Dial has also entered into a licence agreement with JD USA (subsidiary of JD Global) for using Just Dial’s brand for an annual licence fee of 1% of net revenues.



## Annexure II: Profile of the Directors

Name of directors	Age	Designation	Date of joining	Qualification	Previous employment	Other directorships
Mr B. Anand	49	Chairman & Independent Non-Executive Director	2-Aug-11	Bachelor's degree in commerce from Nagpur University and an associate member of ICAI	Vedanta Resource, Motorola India Private Ltd, Credit Lyonnais Bank SA, HSBC Bank plc, Infrastructure Leasing & Financial Services Ltd and Citibank	<ol style="list-style-type: none"> <li>1. Future Ventures India Ltd</li> <li>2. Staples Future Office Products Private Ltd</li> <li>3. Nagarjuna Oil Corporation Ltd</li> <li>4. TER Commodities Trading Private Ltd</li> </ol>
Mr V.S.S. Mani	47	Managing Director	Since inception	Discontinued Bachelor's degree in commerce from Delhi University after completing two years; undertook articleship under a member of the ICAI	United Database India Private Ltd	<ol style="list-style-type: none"> <li>1. Just Dial Global Private Ltd</li> <li>2. Just Dial Inc., US</li> <li>3. Superstar Ventures Private Ltd</li> </ol>
Mr Ramani Iyer	44	Non-Independent, Non-Executive Director	28-Oct-05	Diploma in hotel management	20 years of experience; associated with Just Dial since inception and responsible for overall strategic planning and execution	<ol style="list-style-type: none"> <li>1. Just Dial Global Private Ltd</li> </ol>
Mr V. Krishnan	42	Non-Independent, Executive Director	28-Oct-05	Discontinued Bachelor's degree in commerce from Delhi University after completing two years	20 years of experience; associated with Just Dial since inception and responsible for overall strategic planning and execution	<ol style="list-style-type: none"> <li>1. Just Dial Global Private Ltd</li> </ol> Trusteeships: <ol style="list-style-type: none"> <li>1. Just Dial Private Ltd Employees Group Gratuity Scheme</li> </ol>
Mr Ravi Adusumalli	37	Non-Independent Non-Executive Director	9-Oct-06	Bachelor's degree in economics and government from Cornell University, US	Managing partner and heads India office of SAIF Partners. Prior to joining SAIF Partners, he was associated with Mobius Venture Capital	<ol style="list-style-type: none"> <li>1. TV18 Home Shopping Network Ltd</li> <li>2. Fatpipe Networks India Ltd</li> <li>3. One97 Communications Ltd</li> <li>4. Just Dial Global Private Ltd</li> <li>5. Make My Trip (India) Private Ltd</li> <li>6. Make My Trip Ltd (Mauritius)</li> <li>7. A2 Media Private Ltd</li> <li>8. Brainbees Solutions Private Ltd</li> <li>9. TV 18 HSN Holdings Ltd</li> <li>10. Robemall Apparels Private Ltd</li> <li>11. Le Travenues Technology Private Ltd</li> <li>12. Proptiger Realty Private Ltd</li> <li>13. Cybernet-Slash Support Inc</li> </ol>

Name of directors	Age	Designation	Date of joining	Qualification	Previous employment	Other directorships
Mr Malcolm Monterio	59	Independent Non-Executive Director	2-Aug-11	Bachelor's degree in electrical engineering from the Indian Institute of Technology, Mumbai and post-graduate degree in business management from the Indian Institute of Management, Ahmedabad	Chief executive officer of DHL Express, South Asia and a member of the DHL Asia Pacific Management Board	<ol style="list-style-type: none"> <li>1. Blue Dart Express Ltd</li> <li>2. DHL Express (Singapore) Private Ltd</li> </ol>
Mr Sanjay Bahadur	50	Independent, Non-Executive Director	2-Aug-11	Bachelor's degree in civil engineering from Delhi College of Engineering	Chief executive officer of Pidilite Industries Ltd. Previously worked with Larsen & Toubro Ltd, Aeons Construction Products Ltd, Unitech Prefab Ltd and ACC Concrete Ltd	<ol style="list-style-type: none"> <li>1. Building Envelope Systems India Ltd</li> <li>2. Aaktech Construction Private Ltd</li> <li>3. Unitech Ltd</li> <li>4. Dr. Fixit Institute of Structural Protection &amp; Rehabilitation</li> <li>5. NRCA Roofing India Private Limited; and</li> </ol>
Mr Shailendra Jit Singh	36	Non-Independent, Non-Executive Director	21-Jun-12	Master's degree in business administration from Harvard Business School, B. Tech in chemical engineering from IIT, Mumbai	13 years of experience in the field of investment and financial services. He is currently the managing director of Sequoia Capital India Advisors Pvt. Ltd. Prior to this, he was a strategy consultant at Bain & Company, New York	<ol style="list-style-type: none"> <li>1. Accelyst Solutions Pte Ltd</li> <li>2. Druva Software Private Ltd</li> <li>3. Flight Raja Travels Private Ltd</li> <li>4. Free Culture Pte Ltd</li> <li>5. Practo Technologies Private Ltd</li> <li>6. Mu Sigma Inc</li> <li>7. Pine Labs Private Ltd</li> <li>8. SCIOinspire Inc</li> <li>9. Sequoia Capital India Advisors Private Ltd</li> <li>10. Sourcebits Pte Ltd</li> </ol>

Source: Company, DRHP

## Our Capabilities

### Making Markets Function Better

#### Economy and Industry Research

- Largest team of economy and industry research analysts in India
- Coverage on 70 industries and 139 sub-sectors; provide growth forecasts, profitability analysis, emerging trends, expected investments, industry structure and regulatory frameworks
- 90 per cent of India's commercial banks use our industry research for credit decisions
- Special coverage on key growth sectors including real estate, infrastructure, logistics, and financial services
- Inputs to India's leading corporates in market sizing, demand forecasting, and project feasibility
- Published the first India-focused report on Ultra High Net-worth Individuals
- All opinions and forecasts reviewed by a highly qualified panel with over 200 years of cumulative experience

#### Funds and Fixed Income Research

- Largest and most comprehensive database on India's debt market, covering more than 14,000 securities
- Largest provider of fixed income valuations in India
- Value more than ₹33 trillion (USD 650 billion) of Indian debt securities, comprising 85 per cent of outstanding securities
- Sole provider of fixed income and hybrid indices to mutual funds and insurance companies; we maintain 12 standard indices and over 80 customised indices
- Ranking of Indian mutual fund schemes covering 71 per cent of average assets under management and ₹4.7 trillion (USD 94 billion) by value
- Retained by India's Employees' Provident Fund Organisation, the world's largest retirement scheme covering over 50 million individuals, for selecting fund managers and monitoring their performance

#### Equity and Company Research

- Largest independent equity research house in India, focusing on small and mid-cap companies; coverage exceeds 100 companies
- Released company reports on all 1,401 companies listed and traded on the National Stock Exchange; a global first for any stock exchange
- First research house to release exchange-commissioned equity research reports in India
- Assigned the first IPO grade in India

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