

DRAFT RED HERRING PROSPECTUS

Dated August 12, 2011

Please read section 60B of the Companies Act, 1956

(The Draft Red Herring Prospectus will be updated upon filing with the RoC)

100% Book Building Issue

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 135.)

Registered Office: Palm Court, Building-M, 501/B, 5th 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 ISSUE OF [●] EQUITY SHARES OF A FACE VALUE OF ₹ 10 EACH (THE "EQUITY SHARES") OF JUST DIAL LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) AGGREGATING UP TO ₹ [●] MILLION CONSISTING OF A FRESH ISSUE OF [●] EQUITY SHARES AGGREGATING TO AN AMOUNT NOT EXCEEDING ₹ 3,600 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 10,637,994 EQUITY SHARES BY THE SELLING SHAREHOLDERS (AS DEFINED IN THE SECTION "DEFINITIONS AND ABBREVIATIONS") AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER FOR SALE" AND TOGETHER WITH THE FRESH ISSUE, THE "ISSUE"). THE ISSUE WILL CONSTITUTE [●]% OF THE FULLY DILUTED POST-ISSUE 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 - ISSUE RELATED TERMS - OFFER FOR SALE" ON PAGE 5.

THE FACE VALUE OF EQUITY SHARES IS ₹ 10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT 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 TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE.

In case of any revisions in the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), by issuing a press release, and also by indicating the change on the website of the BRLMs and at the terminals of the other members of the Syndicate.

Our Company is undertaking this Issue under Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") for at least 25% of the fully diluted post-Issue capital through the Book Building Process wherein at least 50% of the Issue shall be allotted on a proportionate basis to Qualified Institutional Buyers ("QIBs"), 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 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 Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. If at least 50% of the Issue cannot be Allotted to QIBs, then the entire application money shall be refunded forthwith. Potential investors (except Anchor Investors) may participate in this Issue through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. QIBs (except Anchor Investors) and Non Institutional Bidders are mandatorily required to utilise the ASBA process to participate in this Issue. For details, please see the section "Issue Procedure" on page 313.

RISK IN RELATION TO THE FIRST ISSUE

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 Issue Price is [●] times of the face value. The Issue Price (determined and justified by our Company, the Selling Shareholders and the BRLMs as stated under the section "Basis for Issue Price" on page 94) 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 Issue has been graded by [●] as [●], indicating [●]. For details, please see the section "General Information" on page 57.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section "Risk Factors" on page 14.

ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft 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 Draft 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 Draft Red Herring Prospectus contains all information about them as Selling Shareholders in the context of the Offer for Sale and each Selling Shareholder assumes responsibility for statements in relation to such Selling Shareholder included in this Draft Red Herring Prospectus.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the BSE and the NSE. We have received an 'in-principle' approval from each of the BSE and the NSE for the listing of the Equity Shares pursuant to the letters dated [●] and [●], respectively. For the purposes of the Issue, the Designated Stock Exchange shall be [●].

BOOK RUNNING LEAD MANAGERS**REGISTRAR TO THE ISSUE**

		
Citigroup Global Markets India Private Limited 12 th 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: 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 Email: investors_india@morganstanley.com Website: www.morganstanley.com/indiaofferdocuments Contact Person: Ronak Sandil SEBI Registration No.: INM000011203	Karvy Computershare Private Limited Plot No. 17-24, Vittal Rao Nagar Madhapur Hyderabad 500 081 Tel: (91 40) 4465 5000 Toll Free No: 1-800-3454001 Fax: (91 40) 2343 1551 Email: justdial.ipo@karvy.com Website: http://karisma.karvy.com Contact Person: M. Murli Krishna SEBI Registration No.: INR000000221

BID/ISSUE PROGRAMME*

BID/ISSUE OPENS ON: [●]*

BID/ISSUE CLOSES ON: [●]**

* 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/ Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date.

** Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI Regulations.

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft 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 “Issuer”	Just Dial Limited, a company incorporated under the Companies Act and having its Registered Office at Palm Court, Building-M, 501/B, 5 th 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
Auditor	The statutory auditor of our Company, S.R. Batliboi & Associates, Chartered Accountants
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
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 160
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 157
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 157
Registered Office	The registered office of our Company, which is located at Palm Court, Building-M, 501/B, 5 th Floor, Besides Goregaon Sports Complex, New Link 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 has been filed with the High Court of Bombay on May 11, 2011. For details, please see the section

Term	Description
	“History and Certain Corporate Matters - Scheme of Arrangement between our Company, Just Dial Global Private Limited and their respective shareholders and creditors” on page 138
Sequoia	Sequoia Capital India Investments III
Shareholders’ Agreement	The amended and restated shareholders’ agreement dated May 23, 2011 between our Company, our Promoters, SAIF, Tiger Global, Sequoia, EGCS and SAPV. For details please see the section “History and Certain Corporate Matters” on page 141
Tiger Global	Collectively, Tiger Global Four JD Holdings and Tiger Global Five Indian Holdings

Issue Related Terms

Term	Description
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Fresh Issue and the transfer of the Equity Shares pursuant to the Offer for Sale 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 who are to be Allotted Equity Shares 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/ Issue Period	The day, one Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Issue Price	The final price at which Equity Shares will be issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price, but not higher than the Cap Price. The Anchor Investor Issue 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 Issue
ASBA Account	An account maintained with the SCSB and specified in the ASBA Bid cum Application Form for blocking the amount mentioned in the ASBA Bid cum Application Form
ASBA Bid cum Application Form	The form, whether physical or electronic, used by a Bidder to make a Bid through ASBA process, which contains an authorisation to block the Bid Amount in an ASBA Account and will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus
ASBA Bidder	Prospective investors (except Anchor Investors) in this Issue who intend to Bid through ASBA
ASBA Revision Form	The form used by the ASBA Bidders to modify the quantity of Equity Shares or the Bid Amount in their ASBA Bid cum Application Forms or any previous ASBA Revision Form(s)
Banker(s) to the Issue/Escrow Collection Bank(s)	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 [●]

Term	Description
Basis of Allotment	The basis on which Equity Shares will be Allotted to successful Bidders under the Issue and which is described in the section “Issue Procedure- Basis of Allotment” on page 341
Bid	An indication to make an offer during the Bid/Issue Period by a Bidder pursuant to submission of the Bid cum Application Form, or during the Anchor Investor Bid/Issue Period by the Anchor Investors, to subscribe to or purchase the Equity Shares of our Company 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
Bid cum Application Form	The form used by a Bidder (which, unless expressly provided, includes the ASBA Bid cum Application Form used by an ASBA Bidder, as applicable) to make a Bid and which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus
Bid/ Issue Closing Date	Except in relation to any Bids received from Anchor Investors, the date after which the Syndicate and the SCSBs will not accept any Bids for the Issue, which shall be notified in two national newspapers (one each in English and Hindi) and in one Marathi newspaper, each with wide circulation Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI Regulations
Bid/ Issue Opening Date	Except in relation to any Bids received from Anchor Investors, the date on which the Syndicate and the Designated Branches of the SCSBs shall start accepting Bids for the Issue, which shall be notified in an English daily newspaper, a Hindi daily newspaper and a Marathi daily newspaper, each with wide circulation
Bid/ Issue Period	Except in relation to Anchor Investors, the period between the Bid/Issue Opening Date and the Bid/Issue 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 the Red Herring Prospectus and the Bid cum Application Form or the ASBA Bid cum Application Form, as applicable
Book Building Process/Method	The book building process, as provided in Schedule XI of the SEBI Regulations, in terms of which this Issue is being made
BRLMs/Book Running Lead Managers	The book running lead managers to the Issue, 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/Issue Period
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted
Citi	Citigroup Global Markets India Private Limited
Controlling Branches	Such branches of SCSBs which coordinate Bids under this Issue with the BRLMs, the Registrar and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in/pmd/scsb.html
Cut-off Price	The Issue 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	Such branches of the SCSBs which shall collect the ASBA Bid cum Application Forms used by the ASBA Bidders and a list of which is available at http://www.sebi.gov.in/pmd/scsb.html
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

Term	Description
	be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Bidders in the Fresh Issue and the Selling Shareholders shall give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	This Draft Red Herring Prospectus dated August 12, 2011 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 issued and the size of the Issue
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
Engagement Letters	The engagement letter dated April 7, 2011 between our Company and the BRLMs and the supplemental letter dated August 11, 2011 between our Company, the BRLMs and the Selling Shareholders
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 Agreement	Agreement to be entered into between our Company, the Selling Shareholders, the Registrar to the Issue, the BRLMs, the Syndicate Members, 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 Issue Price will be finalised and below which no Bids will be accepted
Fresh Issue	The fresh issue of [●] Equity Shares aggregating to an amount not exceeding ₹ 3,600 million by our Company
IPO Grading Agency	[●]
Investment Company Act	U.S. Investment Company Act of 1940, as amended
Issue	The public issue of [●] Equity Shares for cash at a price of ₹ [●] each aggregating up to ₹ [●] million comprising the Fresh Issue and the Offer for Sale
Issue Agreement	The agreement dated August 12, 2011 between our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Price	The final price at which Equity Shares will be issued/transferred and Allotted in terms of the Red Herring Prospectus. The Issue 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 Issue Price
Issue Proceeds	The proceeds of the Issue. For further information about use of the Issue Proceeds and the Issue expenses, please see the section “Objects of the Issue” on page 86
Morgan Stanley	Morgan Stanley India Company Private Limited
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion), or [●] 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 Fresh Issue less the Issue 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 Issue being not less than 15% of the Issue consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to

Term	Description
	Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price
Offer for Sale	The offer for sale of up to (i) 3,853,401 Equity Shares by V.S.S. Mani; (ii) 94,066 Equity Shares by Anita Mani; (iii) 351,129 Equity Shares by Ramani Iyer; (iv) 417,998 Equity Shares by V. Krishnan; (v) 2,379,194 Equity Shares by SAIF; (vi) 1,141,273 Equity Shares by Sequoia; (vii) 1,482,047 Equity Shares by Tiger Global Four JD Holdings; and (viii) 918,886 Equity Shares by Tiger Global Five Indian Holdings, at the Issue Price, pursuant to the terms of the Red Herring Prospectus
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 and the minimum Bid Lot size for the Issue will be decided by our Company and the Selling Shareholders in consultation with the BRLMs and advertised, at least two Working Days prior to the Bid/Issue Opening Date, in [●] edition of English national daily [●], [●] edition of Hindi national daily [●], and [●] edition of regional language newspaper [●], each with wide circulation
Pricing Date	The date on which our Company and the Selling Shareholders in consultation with the BRLMs finalise the Issue 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 Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account and from the bank accounts of ASBA Bidders maintained with the SCSBs on the Designated Date
QIB Portion	The portion of the Issue (including the Anchor Investor Portion) amounting to at least 50% of the Issue being at least [●] Equity Shares, which shall be Allotted to QIBs, including Anchor Investors
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	The Red Herring Prospectus 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 Issue. The Red Herring Prospectus will be filed with the RoC at least three days before the Bid/Issue Opening Date and will become a Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	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(s)	[●]
Refunds through electronic transfer of funds	Refunds through NECS, Direct Credit, RTGS or NEFT, as applicable
Registrar to the Issue/Registrar	Registrar to the Issue, in this case being Karvy Computershare Private Limited
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 Issue (including HUFs applying through their Karta and Eligible NRIs)
Retail Portion	The portion of the Issue being not less than 35% of the Issue consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to Retail Individual Bidder(s)
Revision Form	The form used by the Bidders (which, unless expressly provided, includes the ASBA Revision Form) to modify the quantity of Equity Shares or the Bid

Term	Description
	Amount in their Bid cum Application Forms or any previous Revision Form(s)
Securities Act	U.S. Securities Act of 1933, as amended
Self Certified Syndicate Bank(s) or SCSB(s)	A banker to the issue registered with SEBI, which offers the facility of ASBA and a list of which is available at http://www.sebi.gov.in/pmd/scsb.html
Selling Shareholders	V.S.S. Mani, Anita Mani, Ramani Iyer, V. Krishnan, SAIF, Tiger Global Four JD Holdings, Tiger Global Five Indian Holdings and Sequoia
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, Bangalore, Hyderabad, Pune, Baroda and Surat
Syndicate Agreement	The Agreement to be entered into amongst the Syndicate, our Company and the Selling Shareholders in relation to the collection of Bids in this Issue (excluding Bids from the Bidders applying through ASBA process)
Syndicate Members	[●]
Syndicate/ members of the Syndicate	The BRLMs and the Syndicate Members
TRS/Transaction Registration Slip	The slip or document issued by the Syndicate, or the SCSB (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 and the Syndicate Members
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/Issue 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

Term	Description
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

Term	Description
AGM	Annual General Meeting
AS/Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India
BSE	Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act	The Companies Act, 1956
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number

Term	Description
DoT	Department of Telecommunication, Ministry of Communications and Information Technology, Government of India
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
Gol/Government	Government of India
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax Act	The Income Tax Act, 1961
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
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
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 this Issue
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio

Term	Description
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 ESOP Guidelines	SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
SEBI Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997
Securities Act	U.S. Securities Act, 1933
SICA	Sick Industrial Companies (Special Provisions) Act, 1985,
Sq. Ft./sq. ft.	Square feet
State Government	The government of a state in India
Stock Exchanges	The BSE and the NSE
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

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

All references to “India” contained in this Draft 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 Draft 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 Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All decimals have been rounded off to two decimal points.

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 Draft 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 Draft 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 Draft 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 14, 116 and 266, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of our restated consolidated and unconsolidated summary financial statements prepared in accordance with the Indian GAAP.

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 Draft 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).

	August 1, 2011 (₹)	March 31, 2011 (₹)	March 31, 2010 (₹)	March 31, 2009 (₹)
1 USD	44.05	44.65	45.14	50.95

Source: RBI Reference Rate

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 Draft 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 Draft 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 Draft Red Herring Prospectus is reliable, it has not been independently verified.

The extent to which the market and industry data used in this Draft 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 349, 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 Draft 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 Draft Red Herring Prospectus as “QPs”) and “qualified institutional buyers” (as defined in Rule 144A under the Securities Act and referred to in this Draft 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 the Draft 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.”

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 Draft 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 Draft 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 Draft Red Herring Prospectus.

FORWARD-LOOKING STATEMENTS

This Draft 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 14, 116 and 266 of this Draft 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 Draft 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

The risks and uncertainties described below together with the other information contained in this Draft Red Herring Prospectus should be carefully considered before making an investment decision in our Equity Shares. The risks described below are not the only ones relevant to India, the industry in which our Company operates, our Company or our Equity Shares. Additional risks and uncertainties, not presently known to our Company or that we currently deem immaterial may also impair our Company's 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 "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 116 and 266, respectively, as well as the other financial and statistical information contained in this Draft 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 Issue.

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 Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. Please see "Forward-Looking Statements" on page 13.

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, our financial information used in this section is derived from our audited or restated financial statements.

INTERNAL RISK FACTORS

Risks Relating Our Business and Our Industry

- 1. 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 income increased from ₹ 502.4 million in fiscal 2007 to ₹ 1,899.1 million in fiscal 2011, while the number of campaigns that we conduct increased from approximately 40,500 as of March 31, 2009 to approximately 120,200 as of March 31, 2011.

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.

2. *The proper functioning of our website 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 website 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 fulfill user requests or inaccurate data being processed or displayed. We may also experience interruptions caused by reasons beyond our control. For further details, please see the risk factor “Risk Factors—We rely on telecommunications and information technology systems and infrastructure to operate our business and any interruption or breakdown in our technical systems could impair our ability to effectively provide our products and services.” on page 14.

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.

3. *We rely on telecommunications and information technology systems and infrastructure to operate our business and any interruption or breakdown in 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 communications systems 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 of our telecommunications and information technology systems 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. Our branding and reputation could therefore be materially and adversely affected if we 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.

4. *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, among others, third parties assuming our identity and circulating spam e-mails or viruses. The occurrence of any or all of these events 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.

5. *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.

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 any 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.

6. *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 a leading local search services provider. 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 dependant 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.

7. *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.

8. *We are currently in the process of demerging our activities and operations pertaining to IT related testing and other related services and transferring such assets and liabilities to JD Global, which requires court approval and which may result in a reduction in our capital and profit and loss account.*

We are currently in the process of demerging our activities and operations pertaining to IT related testing and other related services of our Company and transferring such assets and liabilities to JD Global with effect from July 1, 2011 through a scheme of arrangement ("Scheme"). The Scheme has been filed with the High Court of Bombay and is yet to be approved by the High Court. Our Company proposes to apply to the High Court of Bombay to change the date from which the Scheme is to be effective from July 1, 2011 to August 1, 2011 and other consequential changes, if any. For further details, 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 138.

Upon the Scheme becoming effective, our aggregate investment in JD Global of ₹ 724.76 million will be written down and the preference shares held by us in JD Global will be cancelled. In addition, approximately ₹ 0.40 million will be written down on account of the book value of assets and liabilities of the Demerged Undertaking. The difference between the value of the assets (including the preference shares held by us in JD Global which will be cancelled pursuant to the Scheme) and the liabilities will be first adjusted against our securities premium account, to the extent available, followed by the general reserve account, and the balance, if any, against our profit and loss account. To the extent that the amount is required to be adjusted against the securities premium account, the Scheme proposes a reduction of capital of our Company in accordance with the provisions of the Companies Act.

There can be no assurance that the Scheme will be approved by the court. If the Scheme is not approved, the proposed demerger will not be completed, which may adversely impact our business, financial condition and growth prospects. If the Scheme becomes effective, the consolidated net worth and accordingly, the book value per Equity Share of our Company will be substantially reduced from the consolidated net worth and book value per Equity Shares of our Company as of March 31, 2011 which may have an adverse effect on our financial condition.

9. *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 June 30, 2011 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 40,500 campaigns as of March 31, 2009, approximately 61,500 campaigns as of March 31, 2010 and approximately 120,200 campaigns as of March 31, 2011, representing a growth of approximately 51% from 2009 to 2010, and approximately 95% from 2010 to 2011. 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 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 income 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.

10. *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. There is 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 132. 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.

11. Our auditors have identified certain deficiencies as part of audits of our unconsolidated financial statements for fiscal 2010 and 2011, 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 for fiscal 2010 and 2011, our auditors identified deficiencies in certain aspects of our internal controls over financial reporting specified in the Companies (Auditors Report) Order, 2003, as amended, in the annexures to their audit reports.

The deficiencies identified in fiscal 2010 were as follows:

- 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 Employees’ State Insurance Corporation (“ESIC”).

The deficiencies identified in fiscal 2011 were as follows:

- I. material discrepancies were identified on verification of fixed assets;
- II. there were serious delays in a large number of deposits to the ESIC; and
- III. 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 (I) in fiscal 2011. An aggregate amount of ₹ 12.2 million was written off to address such discrepancies. The deficiency identified under (d) above was partially remedied. Regarding the delay in deposit to the ESIC and outstanding dues to the ESIC as described under (c) above in 2010 and II and III above, please see “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 268 and 20, 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.

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

In January 2011, we received a show cause notice for the applicability of Employees' State Insurance Act ("ESI Act"), subsequent to which an assessment order was issued by the ESIC authorities, which assessed a liability of ₹ 6.53 million against us for the period up to September 2010. The order, however, preserves the ESIC's right to inspect our records and determine our contribution under the ESI Act on the basis of inspection.

During the year ended March 31, 2011, we have deposited ₹ 4.47 million with the ESIC under protest and are contesting the remaining ₹ 2.06 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. However, we have recorded a provision of ₹ 32.12 million in our books of accounts for any liability that may arise under the ESI Act for the five years ended March 31, 2011.

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 - Our auditors have identified certain deficiencies as part of audits of our unconsolidated financial statements for fiscal 2010 and 2011, 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 19.

13. *We have received a letter dated July 27, 2011 from RBI alleging contravention of certain regulations under FEMA, which pertain to the remittance of funds by our Company to JD USA.*

Our Company has received a letter dated July 27, 2011 from RBI (the "RBI Letter") regarding remittance of funds to JD USA. The RBI Letter, amongst other things, states that the remittance of US\$ 300,000 made by our Company on October 13, 2006 towards share application money of JD USA was not reported to RBI and that the same is in violation of the applicable regulations under FEMA. RBI has advised our Company to file an application to compound the contravention within 45 days from the date of the RBI Letter. Our Company has replied to the RBI through letter dated August 1, 2011 in which our Company has, amongst other things, acknowledged the failure of our Company's authorized dealer in making the requisite filings with the RBI, despite being duly informed by our Company. Our Company has further undertaken to file a compounding application for the alleged contraventions, if required. There can be no assurance that the RBI would compound the contraventions without levying penalty on our Company, or compound the contraventions at all. For further details of the RBI Letter, please see the section "Outstanding Litigation and Material Developments - Litigation against our Company - Notices" on page 282.

14. *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 "Other Regulatory And Statutory Disclosures—Important Information for Investors—Eligibility and Transfer Restrictions."

15. *Our financial statements for fiscal 2012 may not be strictly comparable to fiscal 2011 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. We are required to notify the sale of JD USA to the RBI under FEMA regulations through our authorized dealer in India. In its notification letter to the RBI, our authorised dealer has stated that the sale of JD USA by us was done pending the regularizing of other prior transactions involving certain contraventions by us. For details of such contraventions, see “Risk Factors - We have received a letter dated July 27, 2011 from the RBI alleging contravention of certain regulations under FEMA, which pertain to the remittance of funds by our Company to JD USA” on page 20.

For fiscal 2011, JD USA had total assets of ₹ 36.34 million and total revenue of ₹ 23.28 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. As JD USA is no longer a subsidiary of our Company, we will not consolidate JD USA. Accordingly, our consolidated financial statements for fiscal 2011 may not be strictly comparable to our financial statements for fiscal 2012. While we will receive an annual license fee from JD USA, we will not be able to benefit as a shareholder in any future growth in the U.S. business of JD USA. See “Business – Divestment of JD USA” on page 129.

16. *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 newly initiated 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.

17. *Intellectual property rights are important to our business, and our ability 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 the U.S., and while we have obtained registration with respect to some, registration of the others is pending as on the date of this Draft 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 and 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. We have commenced legal proceedings against various search service providers for the violation of copyright of our database content. Please see “Outstanding Litigation and Material Developments” on page 282 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.

18. *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 unauthorised disclosure of confidential information and failure to protect sensitive personal data. The Government has recently 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 132. 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.

19. 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)
Civil	2	0.20
Consumer Complaints	9	1.51
Income Tax*	4	11.88
ESI Act	1	6.53
Notices	1	US\$ 300,000

**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 282.*

Litigation against our Directors

Name of Director	Nature of Litigation	Number of Outstanding Litigation	Amount Involved (₹ in million)
V.S.S. Mani	Consumer Complaints	5	0.65
Sanjay Bahadur	Excise cases	2	-

Litigation against our Promoters

Name of Promoter	Nature of Litigation	Number of Outstanding Litigation	Amount Involved (₹ in million)
V.S.S. Mani	Consumer Complaints	5	0.65

Please see the section “Outstanding Litigation and Material Developments” on page 282 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.

20. 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 “Outstanding Litigation and Material Developments” on page 282 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 on a timely basis or at all could prevent us from providing our products and services and adversely affect our business operations.

21. *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 “Government and Other Approvals—Intellectual Property Related Approvals” on page 290 and “Business-Intellectual Property” on page 128. We have also made an application for the “Just Dial” trademark in the U.S., which is currently pending. 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 140, 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 we may be required to resort to legal actions to protect our branding and reputation if the need arises. For example, we have filed a case against Infodial Telemedia Private Limited to restrain them from providing services from a website with a name similar to our domain name. Please see “Outstanding Litigation and Material Developments” on page 282 for further details. 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.

22. *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 March 31, 2011 and June 30, 2011, we believe the Delhi NCR region and Mumbai markets contributed approximately 39% of our campaigns and our 11 largest cities contributed substantially all 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 Delhi NCR region and Mumbai, could materially and adversely affect our business, financial condition and results of operations.

23. *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 customised;
- 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.

24. *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 Canadian market. We sold our equity interest in JD USA to JD Global in July 2011 and are in the process of demerging 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 such 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. market. 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.

25. *We will have considerable discretion as to the use of the Net Proceeds from this Issue and we are not subject to monitoring by any independent agency.*

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

Our allocation of the Net Proceeds is based on current plans and business conditions. The amounts and timing of any expenditure will vary depending on the amount of cash generated by our operations, competitive, market as well as technological developments, and the number and type of new acquisitions and investments we undertake. Accordingly, subject to “Objects of the Issue” on page 86, our management will have considerable discretion in the application of the Net Proceeds. Our management’s judgment will have to be relied upon regarding the application of the Net Proceeds. We may be unable to use the Net Proceeds for the intended purpose and the Net Proceeds, pending investment in our businesses, may be placed in interest/dividend bearing instruments including mutual funds, deposits with banks and other investment-grade interest bearing securities. These investments may not produce returns or decline in value, which may cause the price of our Equity Shares to decline. Since the expected size of the Fresh Issue is less than ₹ 5,000 million, we are not required to appoint a monitoring agency under the SEBI Regulations. Hence, the deployment of Net Proceeds is at the discretion of our Company and will not be subject to monitoring by any independent agency. We cannot assure you that we will be able to conduct our affairs in a manner similar to that of a business that is subject to monitoring by an independent agency.

26. *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 Mr. Mani, we cannot assure that it will provide adequate compensation if he leaves our Company. While the attrition rates for our senior management are negligible, 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.

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

Personnel costs represents the largest expense for us and our ability to maintain or reduce such costs is critical for our labour-intensive business operations. The weighted average wage of our employees increased during fiscal 2011. 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.

28. *Our business operations depend on the performance and reliability of the fixed telecommunications networks and Internet infrastructure.*

The success of our business operations is highly dependent on the performance and reliability of the fixed telecommunications networks and Internet infrastructure in India, and in any other locations that we may operate in. This 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.

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 fiscal 2011 and 2010, approximately 42.7% and 42.8% of the total number of searches were conducted through our website, respectively.

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 harm 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 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 the smooth and reliable provision of our products and services to our users and paid advertisers.

If we are unable to anticipate and implement measures to manage these problems, our user traffic, and consequently our paid advertisers, would decline, which would materially and adversely affect our business, financial condition and results of operations.

29. *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.

30. *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. 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. In the event that these new products or services do not perform well, we may lose our entire investment, which may result in a material adverse effect on our business, financial condition and results of operations.

31. *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.

32. *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.

33. *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 compared 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.

34. *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 fulfill 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.

35. *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 to 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.

36. *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, 5th 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 33 months until March 14, 2012. In fiscal 2011, our Company paid an aggregate ₹ 4.58 million to V.S.S. Mani and Anita Mani as license fee for the right to use the Registered Office premises. 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 our business operations had to be moved and our call centers (being one of our key assets) had to be shut down during this period, we may suffer a severe disruption in our business operations, leading to user and paid advertiser dissatisfaction and materially adversely affect our brand. Our business, financial condition and results of operations would therefore be adversely affected. Please see “Business—Properties” on page 130 for more details of the properties leased by us.

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

As of March 31, 2011, 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 and 2008.

Preference dividend: the cumulative dividend payable by us on our 6% optionally convertible cumulative preference shares (including a dividend distribution tax).

Please see the section “Financial Statements - Annexure IVC (*Notes to the restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows for the years ended March 31, 2011, 2010, 2009, 2008 and 2007*) – note 17”, “- Annexure XII (*Restated Unconsolidated Statement of Contingent Liabilities*)”, “- Annexure IVC (*Notes to the restated consolidated summary statements of assets and liabilities, profits and losses and cash flows for the years ended March 31, 2011, 2010, 2009, 2008 and 2007*) – note 15” and “- Annexure XII (*Restated Consolidated Statement of Contingent Liabilities*)” 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.

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

Currently, our Promoters and Promoter Group together own an aggregate of 52.62% of our outstanding Equity Shares. After the completion of the Issue, our Promoters and members of our Promoter Group will continue to hold [●]% 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 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 Issue. Please see the section “Our Promoters and Promoter Group” on page 157 for more details of our Promoters and Promoter Group.

39. *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 primary 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 proposed 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 “Related Party Transactions” page 164. 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.

40. *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 95 trademarks of our Company and two copyright applications. Please see “Government and Other Approvals” on page 288 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.

41. *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 section “Capital Structure” and “History and Certain Corporate Matters” on pages 65 and 135.

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

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

Sr. No.	Name of the Allottee	Date of Allotment	No. of Equity Shares	Issue price (₹)	Reason
1.	Amitabh Bachchan	January 27, 2011	62,794	10	Allotted in accordance with the share subscription agreement dated February 10, 2011 executed between our Company and Amitabh Bachchan.
2.	Rajesh Khona	May 31, 2011	2,800	80	Allotted pursuant to ESOP 2010.

Further, as on the date of this Draft Red Herring Prospectus, there are 1,163,626 Preference Shares outstanding, which will converted into 1,163,626 Equity Shares, prior to the filing of the Red Herring Prospectus with the RoC, at a price which may be lower than the Issue Price. The details of this allotment will be updated in the Red Herring

Prospectus to be filed with the RoC. For details of the outstanding Preference Shares, please see the section “Capital Structure” on page 65.

43. *Our Group Companies have incurred losses in the last three financial years.*

Certain of our Group Companies have incurred losses in the last three financial years, as set forth in the table below:

Name of Group Company	Fiscal 2011	Fiscal 2010	Fiscal 2009
Just Dial Global Private Limited <i>(in ₹ million)</i>	(97.2)	(0.4)	NA
Just Dial Inc., USA <i>(in US\$)</i>	(28,661)	(62,884)	(132,414)

EXTERNAL RISK FACTORS

44. *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 unfavorable 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 “Regulations and Policies” on page 132 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 registration of telemarketers under the Customer Preference Regulations has commenced from January 15, 2011 and the facility for registration of Customer Preference has commenced from February 10, 2011. 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 centers for search services, we provide the information sought by our customers through text (SMS). If the Customer Preference Regulations come into force as currently proposed, the information provided could be considered as unsolicited commercial communication by TRAI and the access providers, and may not qualify as an exempted transactional message. Accordingly, in the event that the dissemination of information by us through text (SMS) is determined to be unsolicited commercial communication and our users do not expressly opt to receive commercial communication from us, we may not be able to provide the results of our search service to such users by a telephone call back (voice) or text (SMS). Consequently, 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. This could have a material adverse effect on our business, results of operations and financial condition. Additionally, while all the provisions of the Customer Preference Regulations have not yet come into force, 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. Any violation of the Customer Preference Regulations may, therefore, have a material adverse effect on our business and results of operations. Please see “Regulations and Policies” on page 132 for further details.

Such unfavorable changes 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.

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. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

- 45. *Our Equity Shares have never been publicly traded and the Issue 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 Issue Price, or at all.***

Prior to the Issue, 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 Issue. 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 Issue 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.

- 46. *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 Issue, 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 will hold [●]% of our equity share capital after this Issue. 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.

- 47. *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, including the financial statements provided in this Draft Red Herring Prospectus are prepared in accordance with Indian GAAP. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Draft 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 Indian GAAP financial statements included in this Draft 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 Draft Red Herring Prospectus should accordingly be limited.

- 48. *Our failure to successfully adopt IFRS effective when required under Indian law could have a material adverse effect on our stock price.***

According to the press release dated January 22, 2010 issued by the Ministry of Corporate Affairs, the adoption of, and convergence with the IFRS will be implemented in phases and our Company may soon be required to prepare our annual and interim financial statements under IFRS. The convergence of certain Indian Accounting Standards

with IFRS was notified by the Ministry of Corporate Affairs on February 25, 2011. Because there is significant lack of clarity on the adoption of and convergence with IFRS 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 IFRS than under Indian GAAP. As we transition to IFRS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Moreover, there is increasing competition for the small number of IFRS-experienced accounting personnel available as more Indian companies begin to prepare IFRS financial statements. There can be no assurance that our adoption of IFRS will not adversely affect our reported results of operations or financial condition. Any failure to successfully adopt IFRS when required under Indian law could have a material adverse effect on our stock price.

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

We currently and may in future, have employee stock option plans ("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.

50. *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.

51. *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 global housing and mortgage 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.

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 March 31, 2011 and 2010. 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.

Any future slowdown 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 March 31, 2011, could result in a material adverse effect on our business, our financial performance and the prices of our Equity Shares.

52. *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. 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.

53. *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 favorable 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.

54. *Terrorist attacks, civil unrests and other acts of violence in India and around the region 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 the region 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.

55. *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 135.
2. Public Issue of [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating to ₹ [●] million consisting of a Fresh Issue of [●] Equity Shares aggregating to an amount not exceeding ₹ 3,600 million and an Offer for Sale of up to 10,637,994 Equity Shares by the Selling Shareholders aggregating up to ₹ [●] million. The Issue will constitute [●]% of the fully diluted post issue paid up equity capital of our Company.
3. Our Company’s net worth, as at March 31, 2011 was ₹ 931.58 million, as per our Company’s consolidated and restated financial statements. If the Scheme is approved by the High Court of Bombay and becomes effective, our Company will adjust the difference between the value of the assets and the liabilities transferred pursuant to the Scheme against the securities premium account, followed by the general reserve account and balance, if any, against the profit and loss account. As a result, the net worth of our Company will be substantially reduced. For further details 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 138.
4. As at March 31, 2011, the book value per Equity Share was ₹ 17.91 as per our Company’s consolidated and restated financial statements. The book value per Equity Share of ₹ 17.91 has not been calculated on a fully diluted basis. The book value per Equity Share is subject to change upon conversion of the outstanding 1,163,626 Preference Shares into Equity Shares prior to filing of the Red Herring Prospectus with RoC and consequent allotment of 10,756,075 Equity Shares as bonus shares to the holders of Preference Shares Series A. For further details of the outstanding Preference Shares, conversion of the Preference Shares into Equity Shares and consequent issue of bonus shares, please see the section “Capital Structure” on page 65. Further, pursuant to the Scheme, our Company will deduct the book values of the assets and liabilities of the activities and operations of our Company being transferred to JD Global, from the assets and liabilities in its books of account. As a result, if the Scheme is approved by the High Court of Bombay and becomes effective, the book value per Equity Share will be substantially reduced. For further details 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 138.

5. The average cost of acquisition of Equity Shares by our Promoters is as follows:

Name of the Promoter	Average cost of acquisition of Equity Shares
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

6. 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 164.
7. 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.
8. Investors may contact the BRLMs for complaints, information or clarifications pertaining to the Issue.
9. 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 140. Except as stated above, none of the Group Companies have any business or other interest in our Company.

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

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 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 2011; the Telecom Regulatory Authority of India ("TRAI"); and Netscribes (India) Pvt. Ltd. ("Netscribes"), Reports "Local Search Market in India 2011," June 2011, "Online and Offline Classifieds in India 2011," June 2011 and "Online Advertising Market in India 2011," June 2011 (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.

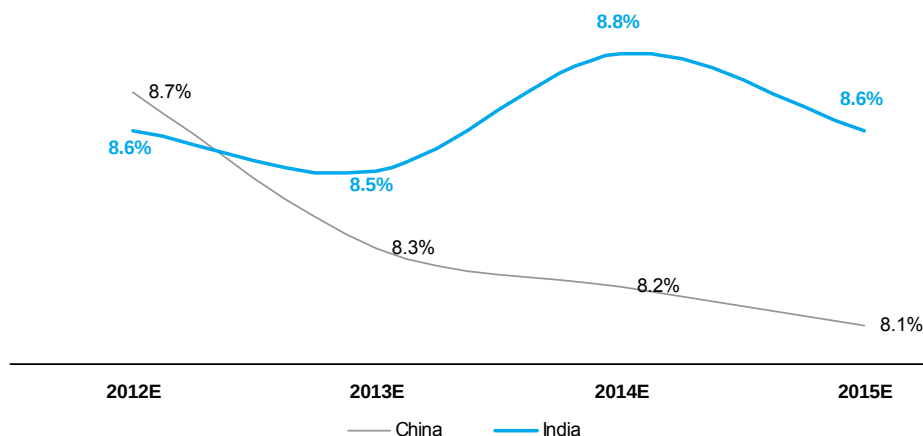
The Indian Opportunity

India is one of the world's most populous countries with an estimated population of approximately 1.19 billion as of July 2011, 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 Report 2009-2010 and 2010-2011, in fiscal 2011, the growth rate for India's gross domestic product ("GDP") is estimated to have been 8.6%, and in fiscal 2010 and 2009, GDP growth was 8.0% and 6.7%, respectively. According to the CIA Factbook, India's GDP, on a purchasing power parity basis was estimated to be approximately \$4.06 trillion in 2010, making it the fifth largest economy in the world after the European Union, the United States, China and Japan. 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 7.0% 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.

Economic growth is expected to continue into the immediate future with the EIU estimating India's real GDP growth at 8.6% in fiscal year 2012. The estimates suggest that India's Real GDP growth rate will overtake that of China in fiscal 2013.

Real GDP Growth Rate



Source: EIU

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 eleven times from 50 million people in the year 2005 to 583 million people by 2025. With a growing population, the creation of a large middle class and rising incomes, McKinsey & Company expects the average household percentage of spending on discretionary items to rise and the expected percentage of spending on discretionary items is set to grow from approximately 54% as of 2005 to approximately 72% 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 others, the following: income levels are expected to almost triple, with annual real income growth per household expected to accelerate from 3.6% over the last two decades to 5.3% 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, favourable demographics, rising income levels, dramatic shift to income pyramid, increasing consumption and increased discretionary spending, including rapid growth in communications spending.

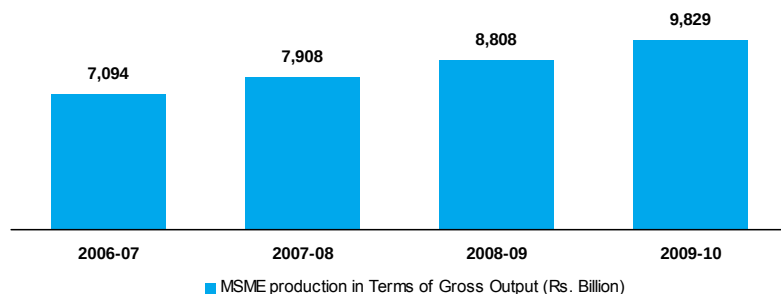
Small and Medium Enterprises (SMEs) in India

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 59 million people in over 26 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 2011, MSME's production in terms of gross output has been growing steadily from ₹ 7,094 billion in 2006 - 2007 to ₹ 9,829 billion in 2009 - 2010, representing a CAGR of 11.5%.

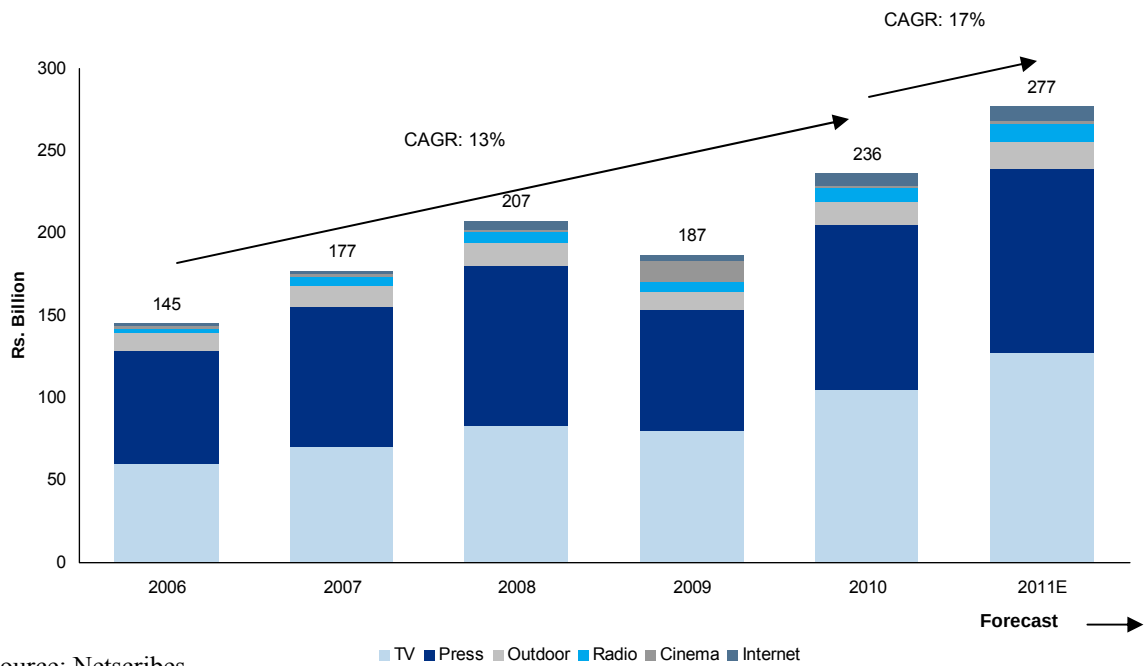


Source: Ministry of MSME Annual Report 2011

The Indian Advertising Market

According to the Netscribes' Report: "*Online Advertising Market in India 2011*", the Indian advertising market generated approximately ₹ 236 billion in 2010 and is expected to grow to ₹ 277 billion by 2011, a growth rate of 17.4%. Currently advertising through television represents the largest segment of the Indian advertising market with a 44.5% share of the overall market, following by print advertising with a 42.4% share of the overall market. Outdoor advertising comprises about 5.9% of the market, radio advertising about 3.8% and internet about 3.0%. 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 35% between 2010 and 2011.

Trend of Advertising Revenues



Source: Netscribes.

SUMMARY OF BUSINESS

OVERVIEW

We are a leading local search engine 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, such as the Internet, mobile Internet, over the telephone (voice) and text (SMS). In fiscal 2011, we addressed over 180 million search queries from millions of users across platforms. As of June 30, 2011, we were conducting approximately 139,500 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, we believe that we have been able to attain significant mind-share with users for their local search needs.

India’s middle class, generally comprising people with annual income range of ₹ 200,000 to ₹ 1,000,000, is expected to grow by over 11 times from approximately 50 million people in 2005 to approximately 583 million people by 2025, according to a report by McKinsey & Company. According to Internet World Stats, as of March 31, 2011, Internet penetration was at 8.4% (or approximately 100 million users) in India, making India the world’s third largest population of internet users after China and the United States, as compared to over 78.2% in 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 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 120,200 as of March 31, 2011.

We have a large database of approximately 6.0 million listings as of June 30, 2011. 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 income increased from ₹ 502.4 million in fiscal 2007 to ₹ 1,899.1 million in fiscal 2011, representing a CAGR of 39.4%. Our consolidated total income increased in fiscal 2011 by 40.9% over fiscal 2010. Our consolidated restated profits after tax increased from ₹ 16.4 million in fiscal 2007 to ₹ 286.2 million in fiscal 2011, representing a CAGR of 104.3%. Our consolidated restated profits after tax increased in fiscal 2011 by 55.3% over fiscal 2010. We discontinued our print business in fiscal 2011. Excluding the impact of the print business in both fiscal 2011 and 2010, our consolidated total income increased in fiscal 2011 by 58.4% over fiscal 2010.

OUR COMPETITIVE STRENGTHS

We believe that our development into a leading Indian local search engine is primarily 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 leading position in the local search market. 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 more than 180 million searches of our database that were conducted in fiscal 2011 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 120,200 campaigns we conducted as on March 31, 2011, were conducted on behalf of paid advertisers, majority being SMEs. As of June 30, 2011, we had compiled a database consisting of approximately 6.0 million business listings across various cities and towns in India, as compared to 4.5 million business listings as of March 31, 2010.

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 over 15 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 and the experience and expertise of our management and first hand experience with various market participants (including SMEs and users) 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 the most popular types of communication media, i.e. through the Internet, mobile Internet, voice or 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 our 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 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 June 30, 2011 approximately 2.7 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 ratings and reviews from their friends for various business listings, effectively creating a social network to share users’ experience.

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 220 servers for our various intranet and extranet applications. These applications can be accessed by thousands of our IROs from eight centers 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 such 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 paid advertisers. In addition, as a result, we had outstanding receivables of only ₹ 10.99 million from our paid advertisers as of March 31, 2011 while our consolidated restated profit after tax was ₹ 286.2 million from a consolidated total income of ₹ 1,899.1 million in fiscal 2011.

Negligible 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 March

31, 2011, we had total debt of only ₹ 3.16 million, 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 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 to capture and relay other relevant information to our users, such as user ratings and reviews.

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 6.0 million listings across various cities and towns in India as of June 30, 2011, 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 to increase user traffic. Among other things, we plan to add new premises and leverage our reseller program to achieve the foregoing. See the section titled "Objects of the Issue" for details of the new offices planned by us.

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 Mr. Amitabh Bachchan, a well know 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.

Extend Into New Products and Services

We believe that our Justdial 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 such as the following:

Daily Deals. We plan to leverage our user base and our relationship with SMEs and offer a “daily deals” section on our website which will provide users with special promotions on various products and services.

Targeted marketing campaigns. We believe that our database and user data can be used for creating marketing data concerning consumer preferences and SMEs, which is otherwise difficult to ascertain in the fragmented Indian SME sector. With the consent of our users, we plan to facilitate targeted marketing campaigns for businesses, including those selling branded products (for example, branded cars) as well those selling mass products (for example real estate companies providing low cost housing) reach their targeted users segment.

Structured Data for Businesses. We believe that various businesses require quality and structured data on various other businesses, products and services. We intend to use data analytics to leverage the existing database and provide us with information that will enable us to provide structured data to such businesses.

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” name and selling our rights and offering service arrangements to other parties to conduct these operations as we are doing with the U.S. and Canada. See “Business – Divestment and Demerger”.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from the restated financial statements as of and for the years ended March 31, 2007, 2008, 2009, 2010 and 2011.

The summary statement of restated assets and liabilities derived from the restated financial statements has been provided as of and for the years ended March 31, 2007, 2008, 2009, 2010 and 2011. These financial statements have been prepared in accordance with the Companies Act and the SEBI Regulations and presented under the section "Financial Statements" on page 166. The summary financial information presented below should be read in conjunction with the restated financial statements, the notes thereto and the sections "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 166 and 266.

Restated Unconsolidated Summary Statement of Assets and Liabilities

₹ in million

	Particulars	As at				
		31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
A	Fixed assets					
	Gross block	452.30	329.60	237.90	183.77	128.52
	Less: Accumulated depreciation/amortisation	180.37	141.35	96.01	60.47	37.31
	Net block	271.93	188.25	141.89	123.30	91.21
	Capital advances	17.69	5.73	3.18	-	-
		289.62	193.98	145.07	123.30	91.21
B	Investments	1,182.22	807.61	416.16	420.73	163.69
C	Deferred tax assets, net	12.43	27.89	126.87	113.22	79.96
D	Current assets, loans and advances					
	Sundry debtors	0.60	0.35	0.69	7.71	1.59
	Cash and bank balances	196.08	114.27	203.69	144.12	96.50
	Other current assets, loans and advances	233.29	108.07	72.75	38.01	41.72
		429.97	222.69	277.13	189.84	139.81
E	Liabilities and provisions					
	Secured Loans	3.16	4.71	0.29	1.19	2.63
	Current Liabilities	936.41	576.87	484.55	447.70	315.47
	Provisions	20.59	13.16	30.19	25.96	10.26
		960.16	594.74	515.03	474.85	328.36
	Net worth (A + B + C + D - E)	954.08	657.43	450.20	372.24	146.31
	Net worth represented by					
F	Share capital					
	- Equity share capital	519.05	8.56	8.56	8.56	8.56
	- Preference share capital	1.96	2.52	2.52	2.52	2.08
	Total Share capital	521.01	11.08	11.08	11.08	10.64
G	Stock option outstanding	3.24	22.67	8.69	6.14	-
H	Reserves and surplus					
	- General reserves	-	37.43	37.43	25.31	15.96
	- Securities premium account	4.39	381.70	381.70	381.70	180.64
	- Capital redemption reserves	-	0.87	0.87	0.87	0.87
	- Profit and loss account	425.44	203.68	10.43	(52.86)	(61.80)
		429.83	623.68	430.43	355.02	135.67
	Net worth (F + G + H)	954.08	657.43	450.20	372.24	146.31

Restated Unconsolidated Summary Statement of Profit and Loss

₹ in million

Particulars	For the year ended				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Income					
Income from operations	1,839.33	1,309.07	859.22	695.87	484.25
Other income	37.27	38.56	58.92	20.16	18.19
Total Income	1,876.60	1,347.63	918.14	716.03	502.44
Expenditure					
Operating and other expenses	438.40	332.41	251.52	231.00	139.04
Personnel expenses	942.41	668.82	522.77	420.54	307.74
Financial expenses	4.94	4.18	5.62	7.76	7.35
Depreciation/amortisation	67.88	49.99	38.41	24.46	14.15
Total expenditure	1,453.63	1,055.40	818.32	683.76	468.28
Restated Profit before tax	422.97	292.23	99.82	32.27	34.16
Tax Expense/(Income)					
Current tax	119.24	-	35.17	41.87	34.42
Deferred tax charge /(credit)	15.48	98.98	(13.65)	(33.27)	(20.52)
Fringe benefit tax	-	-	2.89	2.78	2.38
Total taxes	134.72	98.98	24.41	11.38	16.28
Restated profit after tax	288.25	193.25	75.41	20.89	17.88
Profit and loss at the beginning of the year, as restated	203.68	10.43	(52.86)	(61.80)	(60.85)
Balance available for Appropriation, as restated	491.93	203.68	22.55	(40.91)	(42.97)
Appropriation					
Proposed dividend	-	-	-	2.22	-
Interim dividend	-	-	-	-	10.03
Corporate dividend tax	-	-	-	0.38	1.41
Transfer to general reserve	-	-	12.12	9.35	6.52
Transfer to capital redemption reserve	-	-	-	-	0.87
Total	-	-	12.12	11.95	18.83
Balance carried forward as restated	491.93	203.68	10.43	(52.86)	(61.80)

Restated Unconsolidated Summary Statement of Cash Flows

₹ in million

Particulars	For the year ended				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
A. CASH FLOW FROM/ (USED IN) OPERATING ACTIVITIES					
Net profit before taxation (as restated)	422.97	292.23	99.82	32.27	34.16
Adjustments for:					
Loss / (profit) on sale/scrap of fixed assets (net)	12.29	(0.16)	(0.72)	(0.30)	(2.89)
Unrealized foreign exchange loss (net)	0.80	0.05	-	-	-
ESOP expenses	3.24	13.97	2.56	6.13	3.94
Advertisement expenses	4.40	-	-	-	-
(Profit)/ loss on sale of investments	(2.78)	(3.07)	(19.73)	0.56	3.66
Dividend income	(28.61)	(25.84)	(29.40)	(14.38)	(0.01)
Interest income	(2.27)	(8.40)	(7.59)	(4.95)	(14.58)
Interest Expense	0.29	0.04	0.05	0.14	0.42
Depreciation / amortisation	67.88	49.99	38.41	24.46	14.15
Operating profit before working capital changes	478.21	318.81	83.40	43.93	38.85
Movements in Working Capital					
(Increase)/ decrease in sundry debtors	(0.25)	0.34	7.03	(6.12)	(0.38)
(Increase) / decrease in loans and advances	(111.67)	(4.12)	(34.72)	30.43	29.28
Increase in current liabilities	359.54	92.33	36.85	129.64	60.05
Increase / (decrease) in provisions	7.43	(3.66)	8.48	(21.51)	(29.37)
Cash flow from operations	733.26	403.70	101.04	176.37	98.53
Direct taxes paid (including fringe benefit taxes paid)	(133.19)	(44.57)	(39.73)	(34.18)	(37.39)
Net cash generated from operating activities	600.07	359.13	61.31	142.19	61.04
B. CASH FLOW FROM /(USED IN) INVESTING ACTIVITIES					
Purchase of fixed assets	(191.86)	(99.10)	(61.59)	(56.81)	(49.97)
Proceeds from sale of fixed assets	16.05	0.35	2.12	0.58	7.01
Investment in subsidiaries	-	(14.11)	-	-	(13.39)
Purchase of current investments	(2,005.91)	(899.81)	(563.85)	(307.04)	(153.66)
Sale of current investments	1,773.56	525.51	588.14	49.43	-
Purchase of long term investment	(144.76)	-	-	-	-
Buy back of shares by subsidiary	5.25	-	-	-	-
Payment on purchase of business	-	-	-	-	(128.38)
Deposits (with maturity more than 3 months)	(49.62)	(47.21)	(142.57)	(36.86)	(1,185.64)
Proceeds from deposits matured (with maturity more than 3 months)	38.95	188.47	42.28	33.24	1,175.93
Dividend received	28.61	25.84	29.40	14.38	0.01
Interest received	1.88	8.40	7.59	4.95	14.58
Net cash used in investing activities	(527.85)	(311.66)	(98.48)	(298.13)	(333.51)
C. CASH FLOW FROM /(USED IN) FINANCING ACTIVITIES					
Secured loan taken	-	4.99	-	-	-
Repayment of secured loans	(1.54)	(0.57)	(0.90)	(1.44)	(2.25)
Interest paid	(0.29)	(0.04)	(0.05)	(0.14)	(0.42)
Dividend paid	-	-	(2.22)	-	(21.92)
Dividend distribution tax	-	-	(0.38)	-	(3.07)
Buy back of equity shares	-	-	-	-	(226.28)

Particulars	For the year ended				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Receipts from issue of shares	0.75	-	-	-	-
Net proceeds from issue of preference shares	-	-	-	201.51	532.09
Net cash generated from / (used in) financing activities	(1.08)	4.38	(3.55)	199.93	278.15
Net increase / (decrease) in cash and cash equivalents (A + B + C)	71.14	51.85	(40.72)	43.99	5.68
Cash and cash equivalents at the beginning of year	103.85	52.00	92.72	48.73	43.05
Cash and cash equivalents at the end of the year	174.99	103.85	52.00	92.72	48.73
	As At				
Components of Cash and Cash Equivalents	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Cash on hand	4.59	0.83	2.63	2.72	1.99
Balance with scheduled banks :					
Current account	170.40	103.02	49.37	90.00	46.74
Fixed deposit account	21.09	10.42	151.69	51.40	47.77
	196.08	114.27	203.69	144.12	96.50
Less: Fixed deposits not considered as cash equivalents	(21.09)	(10.42)	(151.69)	(51.40)	(47.77)
	174.99	103.85	52.00	92.72	48.73

Notes: Figures in brackets indicate cash outflow

Restated Consolidated Summary Statement of Assets and Liabilities

₹ in million

	Particulars	As at				
		31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
A	Fixed assets					
	Gross block	464.11	341.55	251.37	194.33	140.02
	Less: accumulated depreciation/ amortisation	190.90	149.60	102.64	63.56	38.37
	Net block	273.21	191.95	148.73	130.77	101.65
	Capital advances	17.69	5.73	3.18	-	-
		290.90	197.68	151.91	130.77	101.65
B	Investments	1,159.71	779.85	402.47	407.04	150.00
C	Deferred tax assets, net	12.43	28.06	126.90	113.24	79.96
D	Current assets, loans and advances					
	Sundry debtors	10.99	0.35	0.69	7.71	1.59
	Cash and bank balances	201.17	121.48	204.58	144.91	97.59
	Other current assets, loans and advances	218.80	107.24	68.49	37.43	41.74
		430.96	229.07	273.76	190.05	140.92
E	Liabilities and provisions					
	Secured Loans	3.16	4.71	0.29	1.19	2.63
	Current Liabilities	938.67	578.57	485.58	448.42	315.47
	Provisions	20.59	13.16	30.19	25.96	10.26
		962.42	596.44	516.06	475.57	328.36
F	Minority Interests	-	1.42	-	-	-
	Net worth (A + B + C + D - E - F)	931.58	636.80	438.98	365.53	144.17
	Net worth represented by					
G	Share capital					
	- Equity share capital	519.05	8.56	8.56	8.56	8.56
	- Preference share capital	1.96	2.52	2.52	2.52	2.08
	Total Share capital	521.01	11.08	11.08	11.08	10.64
H	Stock option outstanding	3.24	22.67	8.69	6.14	-
I	Reserves and surplus					
	- General reserves	-	37.42	37.42	25.30	15.95
	- Securities premium account	4.41	381.70	381.70	381.70	180.63
	- Capital redemption reserves	-	0.87	0.87	0.87	0.87
	- Foreign Currency Translation Reserve	(0.18)	(0.39)	0.11	(1.39)	(0.60)
	- Profit and loss account	403.10	183.45	(0.89)	(58.17)	(63.32)
		407.33	603.05	419.21	348.31	133.53
	Net worth (G + H + I)	931.58	636.80	438.98	365.53	144.17

Restated Consolidated Summary Statement of Profit and Loss

₹ in million

Particulars	For the year ended				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Income					
Income from operations	1,862.61	1,309.07	859.22	695.87	484.25
Other income	36.51	38.56	58.92	20.16	18.19
Total Income	1,899.12	1,347.63	918.14	716.03	502.44
Expenditure					
Operating and other expenses	460.48	339.01	255.11	232.57	148.12
Personnel expenses	942.41	668.82	522.77	420.54	299.10
Financial expenses	5.03	4.20	5.64	7.78	7.36
Depreciation/amortisation	70.25	52.53	40.81	26.66	15.22
Total expenditure	1,478.17	1,064.56	824.33	687.55	469.80
Restated Profit before tax	420.95	283.07	93.81	28.48	32.64
Tax Expense/ (Income):					
Current tax	119.31	-	35.17	41.87	34.35
Deferred tax charge /(credit)	15.49	98.82	(13.65)	(33.27)	(20.52)
Fringe benefit tax	-	-	2.89	2.78	2.38
Total taxes	134.80	98.82	24.41	11.38	16.21
Restated profit after tax before minority interests	286.15	184.25	69.40	17.10	16.43
Share in loss of minority interest	-	0.09	-	-	-
Restated profit after tax	286.15	184.34	69.40	17.10	16.43
Profit and loss at the beginning of the year, as restated	183.45	(0.89)	(58.17)	(63.32)	(60.92)
Balance available for Appropriation, as restated	469.60	183.45	11.23	(46.22)	(44.49)
Appropriation					
Proposed dividend	-	-	-	2.22	-
Interim dividend	-	-	-	-	10.03
Corporate dividend tax	-	-	-	0.38	1.41
Transfer to general reserve	-	-	12.12	9.35	6.52
Transfer to capital redemption reserve	-	-	-	-	0.87
Total	-	-	12.12	11.95	18.83
Balance carried forward as restated	469.60	183.45	(0.89)	(58.17)	(63.32)

Restated Consolidated Summary Statement of Cash Flows

₹ in million

Particulars	For the year ended				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
A. CASH FLOW FROM/ (USED IN) OPERATING ACTIVITIES					
Net profit before taxation (as restated)	420.95	283.07	93.81	28.48	32.64
Adjustments for:					
Loss / (profit) on sale/scrap of fixed assets (net)	12.30	(0.16)	(0.72)	(0.30)	(2.89)
ESOP expenses	3.24	13.97	2.55	6.14	3.93
Advertisement expenses	4.40	-	-	-	-
(Profit) / loss on sale of investments	(2.78)	(3.07)	(19.73)	0.56	3.66
Dividend income	(28.61)	(25.84)	(29.40)	(14.38)	(0.01)
Interest income	(1.52)	(8.40)	(7.59)	(4.95)	(14.58)
Interest Expense	0.29	0.04	0.05	0.14	0.42
Depreciation / Amortisation	70.25	52.53	40.81	26.66	15.21
Operating profit before working capital changes	478.52	312.15	79.78	42.35	38.38
Movements in Working Capital					
(Increase)/ decrease in sundry debtors	(10.64)	0.77	7.03	(6.12)	(0.37)
(Increase) / decrease in loans and advances	(97.56)	(7.82)	(31.05)	31.02	29.28
Increase in current liabilities	360.11	92.98	36.90	130.33	59.47
Increase / (decrease) in provisions	7.43	(3.67)	8.48	(21.51)	(29.37)
Cash flow from operations	737.86	394.41	101.14	176.07	97.39
Direct taxes paid (including fringe benefit taxes paid)	(133.19)	(44.57)	(39.73)	(34.18)	(37.39)
Net cash generated from operating activities	604.67	349.84	61.41	141.89	60.00
B. CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES					
Purchase of fixed assets	(191.83)	(99.11)	(61.58)	(56.81)	(61.49)
Proceeds from sale of fixed assets	16.05	0.35	2.12	0.58	7.01
Purchase of current investments	(2,005.91)	(899.81)	(563.85)	(307.04)	(153.66)
Sale of current investments	1,773.56	525.51	588.12	49.43	0.29
Purchase of long term investment	(144.76)	-	-	-	-
Buy back shares by subsidiary	5.25	-	-	-	-
Payment on purchase of business	-	-	-	-	(128.38)
Deposits (with maturity more than 3 months)	(49.62)	(47.21)	(142.57)	(36.86)	(1,185.64)
Proceeds from deposits matured (with maturity more than 3 months)	38.95	188.48	42.28	33.24	1,175.93
Dividend received	28.61	25.84	29.40	14.38	0.01
Interest received	1.88	8.40	7.59	4.95	14.58
Net cash generated from/(used in) investing activities	(527.82)	(297.55)	(98.49)	(298.13)	(331.35)

Particulars	For the year ended				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
C. CASH FLOW FROM /(USED IN) FINANCING ACTIVITIES					
Secured loans taken	-	4.99	-	-	-
Repayment of secured loans	(1.55)	(0.57)	(0.90)	(1.44)	(2.25)
Receipts from issue of equity shares	0.75	-	-	-	-
Receipts from issue of equity shares to Minority shareholders	-	1.51	-	-	-
Buy back of equity shares	-	-	-	-	(226.29)
Net Proceeds from issue of preference shares	-	-	-	201.51	532.08
Interest paid	(0.29)	(0.04)	(0.05)	(0.14)	(0.42)
Dividend paid	-	-	(2.22)	-	(21.92)
Dividend distribution tax	-	-	(0.38)	-	(3.07)
Net cash generated from / (used in) financing activities	(1.09)	5.89	(3.55)	199.93	278.13
Net increase in cash and cash equivalents (A+B+C)	75.76	58.17	(40.63)	43.70	6.78
Cash and cash equivalents at the beginning of year	111.06	52.89	93.52	49.82	43.04
Cash and cash equivalents pertaining to the demerged subsidiary	(6.74)	-	-	-	-
Cash and cash equivalents at the end of the year	180.08	111.06	52.89	93.52	49.82

Components of Cash and Cash Equivalents	For the year ended				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Cash in hand	4.59	0.83	2.63	2.72	1.99
Balance with scheduled banks :					
Current account	175.49	110.23	50.26	90.80	47.83
Fixed deposit account	21.09	10.42	151.69	51.39	47.77
	201.17	121.48	204.58	144.91	97.59
Less: Fixed deposits not considered as cash equivalents	(21.09)	(10.42)	(151.69)	(51.39)	(47.77)
	180.08	111.06	52.89	93.52	49.82

Notes: Figures in brackets indicate cash outflow

THE ISSUE

Issue of Equity Shares	[●] Equity Shares
<i>Of which</i>	
Fresh Issue	[●] Equity Shares
Offer for Sale ⁽¹⁾	Up to 10,637,994 Equity Shares
<i>Of which</i>	
Offer for Sale by V.S.S. Mani	Up to 3,853,401 Equity Shares
Offer for Sale by Anita Mani	Up to 94,066 Equity Shares
Offer for Sale by Ramani Iyer	Up to 351,129 Equity Shares
Offer for Sale by V. Krishnan	Up to 417,998 Equity Shares
Offer for Sale by SAIF	Up to 2,379,194 Equity Shares
Offer for Sale by Tiger Global Four JD Holdings	Up to 1,482,047 Equity Shares
Offer for Sale by Sequoia	Up to 1,141,273 Equity Shares
Offer for Sale by Tiger Global Five Indian Holdings	Up to 918,886 Equity Shares
A) QIB portion ⁽²⁾⁽³⁾	At least [●] Equity Shares
<i>Of which:</i>	
Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding the Anchor Investor Portion))	[●] Equity Shares
Balance for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion ⁽³⁾	Not less than [●] Equity Shares
C) Retail Portion ⁽³⁾	Not less than [●] Equity Shares
Pre and post Issue Equity Shares	
Equity Shares outstanding prior to the Issue ⁽⁴⁾	51,908,266 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Use of Issue Proceeds by our Company	Please see the section “Objects of the Issue” on page 86 for information about the use of the Issue Proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

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

- (1) The Equity Shares offered by the Selling Shareholders in the Issue have been held by them for more than a period of one year as on the date of this 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 “Issue Procedure” on page 313.
- (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 50% of the Issue shall be Allotted to QIBs, and in the event that at least 50% of the Issue cannot be Allotted to QIBs, the entire application money shall be refunded forthwith.
- (4) SAIF and Tiger Global Four JD Holdings hold 159,598 Preference Shares Series A and 35,967 Preference Shares Series A, respectively, as on the date of this Draft Red Herring Prospectus. Further V.S.S. Mani holds one Preference Share Series B and SAPV and EGCS hold 484,030 Preference Shares Series C and 484,030 Preference Shares Series C, respectively, as on the date of this Draft Red Herring Prospectus. Prior to filing of the Red Herring Prospectus with the RoC, (i) 159,598 Preference Shares Series A held by SAIF shall be converted into 159,598 Equity Shares; (ii) 35,967 Preference Shares Series A held by Tiger Global Four JD Holdings shall be converted into 35,967 Equity Shares; (iii) one Preference Share Series B held by V.S.S. Mani shall be converted into one Equity Share; (iv) 484,030 Preference Shares Series C held by SAPV shall be converted into 484,030 Equity Shares; and (v) 484,030 Preference Shares Series C held

by EGCS shall be converted into 484,030 Equity Shares. Upon conversion of the Preference Shares Series A into Equity Shares, SAIF and Tiger Global Four JD Holdings will be allotted 8,777,890 Equity Shares and 1,978,185 Equity Shares, respectively, as bonus shares, on account of the bonus issue in the ratio of 55:1, undertaken by our Company on April 24, 2010 and in accordance with the terms of the Shareholders' Agreement. Accordingly, the pre-Issue paid up capital of our Company after the conversion of the Preference Shares and consequent allotment of bonus shares to SAIF and Tiger Global Four JD Holdings will consist of 63,827,967 Equity Shares of ₹ 10 each. For further details of the Shareholders' Agreement, please see the section "History and Certain Corporate Matters – Summary of Key Agreements" on page 139.

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 135. Our Company is a leading local search engine in India. For further details of the business of our Company, please see the section “Our Business” on page 116.

Registered Office of our Company

Just Dial Limited

Palm Court, Building-M, 501/B
5th 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 Registrar of Companies

Our Company is registered with the Registrar of Companies, Maharashtra, situated at Registrar of Companies, Everest, 5th Floor, 100, 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	3B-1703-04, Green Acres 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, Bangalore 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.
Sandeep Singhal	Non-Independent, Non-Executive Director	00040491	C-76, Diamond District Airport Road Bangalore 560 017

Name	Designation	DIN	Address
Sanjay Bahadur	Independent, Non-Executive Director	00032590	3B-901/2, Green Acres, CHS Limited, P.L. 325, Lokhandwala Complex, Andheri (West), Mumbai 400 053
Malcolm Monteiro	Independent, Non-Executive Director	00089757	1701/3B, Green Acres Lokhandwala Complex, Andheri (West), Mumbai, 400 053

For further details of our Directors, please see the section “Our Management” on page 144.

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
5th 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 Issue in case of any pre- or post-Issue 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 Issue may be addressed to the Registrar to the Issue, 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 Issue 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 the collection centre of the SCSB where the ASBA Bid cum Application Form was submitted by the ASBA Bidder.

Book Running Lead Managers

Citigroup Global Markets India Private Limited

12th 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
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 Issue:

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 Issue – Due Diligence on the 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 Issue, Printers and PR Agency	Citi, Morgan Stanley	Citi
5.	Appointment of other intermediaries viz. Registrar, Grading and Monitoring Agency	Citi, Morgan Stanley	Morgan Stanley
6.	Non-Institutional (excluding HNI) and Retail Marketing of the Offer, which will cover, inter alia, - Formulating marketing strategies, preparation of publicity budget; - Finalizing Media and PR strategy; - Finalizing centres for holding conferences for brokers etc.; - Follow-up on distribution of publicity and Offer material including form, prospectus and deciding on the quantum of the Offer material; and - Finalizing collection centres.	Citi, Morgan Stanley	Morgan Stanley
7.	International Institutional Marketing of the Offer, which will cover, inter alia, - Finalizing the list and division of investors for one to one meetings; and - Finalizing road show schedule and investor meeting schedules.	Citi, Morgan Stanley	Morgan Stanley
8.	HNI Marketing	Citi, Morgan Stanley	Citi
9.	Domestic Institutional Marketing of the Offer, which will cover, inter alia, - Finalizing the list and division of investors for one to one meetings; and - Finalizing road show schedule and investor meeting schedules	Citi, Morgan Stanley	Citi
10.	Preparation of the roadshow presentation and FAQ	Citi, Morgan Stanley	Morgan Stanley
11.	Finalization of pricing in consultation with the company	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-ordinating underwriting, co-ordination of non-institutional allocation, announcement of allocation and dispatch of refunds to Bidders, etc.	Citi, Morgan Stanley	Morgan Stanley

Syndicate Members

[●]

[●]

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, 1st Floor
“Embassy Classic”
11 Vittal Mallya Road
Bangalore 560 001
Tel: (91 80) 4072 6600
Fax: (91 80) 4072 6666

Auditors of our Company

S.R. Batliboi & Associates

14th Floor, The Ruby
29, Senapati Bapat Marg
Dadar (West)
Mumbai 400 028
Tel: (91 22) 6192 0000
Fax: (91 22) 6192 1000
Email: amit1.shah@in.ey.com

Registrar to the Issue

Karvy Computershare Private Limited

Plot No. 17-24, Vittal Rao Nagar
Madhapur

Hyderabad 500 081
Tel: (91 40) 4465 5000
Toll Free No: 1-800-3454001
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 Issue and Escrow Collection Banks

[●]

Bankers to our Company

Axis Bank Limited

Building 'M', Palm Court Complex
New Link Road, Malad (West)
Mumbai 400 064
Tel: (91 22) 6141 5420
Fax: (91 22) 6141 5444
Email: babu.gani@axisbank.com
Website: www.axisbank.com
Contact Person: Babu Gani

Citi Bank N.A.

Bombay Mutual Building, 293
Dr. D.N. Road, Fort
Mumbai 400 001
Tel: (91 22) 4029 6546
Fax: (91 22) 2653 2108
Email: deepa.hegde@citi.com
Website: www.online.citibank.co.in
Contact Person: Deepa Hegde

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
Website: www.hdfcbank.com
Contact Person: Richa Priya

Credit Rating

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

IPO Grading Agency

The IPO grading and the rationale furnished by the grading agency for its grading of the Issue will be updated prior to the filing of the Red Herring Prospectus with the RoC.

Monitoring Agency

There is no requirement to appoint a monitoring agency for the Issue, as the Fresh Issue is for an amount less than ₹ 5,000 million.

Trustees

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

Experts

Except the report of [●] in respect of the IPO grading of this Issue annexed to the Red Herring Prospectus, our

Company has not obtained any expert opinions.

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/pmd/scsb.html>. For details of the Designated Branches of the SCSBs which shall collect ASBA Bid cum Application Forms, please refer to the above-mentioned link.

Book Building Process

The book building, in the context of the Issue, refers to the process of collection of Bids on the basis of the 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 two days prior to the Bid/Issue Opening Date. The Issue Price is finalised after the Bid / Issue Closing Date. The principal parties involved in the Book Building Process are:

- our Company;
- the Selling Shareholders;
- the BRLMs;
- the Syndicate Members who are intermediaries registered with SEBI or registered as brokers with the BSE/the NSE and eligible to act as Underwriters. The Syndicate Members are appointed by the BRLMs;
- the SCSBs;
- the Registrar to the Issue; and
- the Escrow Collection Bank.

The Issue is being made through the Book Building Process wherein at least 50% of the Issue 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 Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. 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 50% of the Issue shall be Allotted to QIBs and in the event at least 50% of the Issue cannot be Allotted to QIBs, the entire application money shall be refunded forthwith.

In accordance with the SEBI Regulations, QIBs Bidding in the QIB Portion are not allowed to withdraw their Bid(s) after the Bid/Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/ Issue Period. For further details, please see the section “Issue Procedure” on page 313.

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

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 Issue.

Illustration of Book Building and Price Discovery Process

Investors should note that this example is solely for illustrative purposes and is not specific to the Issue; 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 “Issue Procedure – Who Can Bid?” on page 314);
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 or the ASBA 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 “Issue Procedure” on page 313);
4. Ensure that the Bid cum Application Form or ASBA Bid cum Application Form is duly completed as per instructions given in the Red Herring Prospectus and in the Bid cum Application Form or ASBA 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 to the Designated Branches, except for the ASBA Bids in the Specified Cities. In case of the Specified Cities, the ASBA Bids may either be submitted with the Designated Branches or with the Syndicate. 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 ASBA Bid cum Application Form is not rejected;

Notwithstanding the foregoing, the Issue 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 Issue 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 Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations. 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)
Citigroup Global Markets India Private Limited 12 th Floor, Bakhtawar Nariman Point Mumbai 400 021 Tel: (91 22) 6631 9890 Fax: (91 22) 3919 7844 Email: justdial.ipo@citi.com	[●]	[●]
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	[●]	[●]

The above-mentioned underwriting commitments are indicative and will be finalised after pricing of the Issue 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 and the Syndicate Members shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure/subscribe to the Equity Shares to the extent of the defaulted amount.

CAPITAL STRUCTURE

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

(In ₹, except share data)

		Aggregate Value at Face Value	Aggregate Value at Issue Price
A	AUTHORISED SHARE CAPITAL		
	100,000,000 Equity Shares	1,000,000,000	
	1,200,000 Preference Shares	12,000,000	
	Total	1,012,000,000	
B	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE⁽¹⁾		
	51,908,266 ⁽¹⁾ Equity Shares	519,082,660	
	195,565 6% Cumulative Optionally Convertible Redeemable Preference Shares of Series A of ₹ 10 each	1,955,650	
	One 0.1% Non-cumulative Optionally Convertible Redeemable Preference Shares of Series B of ₹ 10 each	10	
	968,060 6% Compulsory Convertible Redeemable Preference Shares of Series C of ₹ 10 each	9,680,600	
C	PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS		
	[●] Equity Shares		
	of which		
	Fresh Issue of [●] Equity Shares ⁽²⁾ aggregating to an amount not exceeding ₹ 3,600 million	[●]	[●]
	Offer for Sale of up to 10,637,994 Equity Shares ⁽³⁾	106,379,940	[●]
D	SECURITIES PREMIUM ACCOUNT		
	Before the Issue ⁽⁴⁾	4,605,580	
	After the Issue	[●]	
E	PAID-UP CAPITAL AFTER THE ISSUE		
	[●] Equity Shares	[●]	

⁽¹⁾ SAIF and Tiger Global Four JD Holdings hold 159,598 Preference Shares Series A and 35,967 Preference Shares Series A, respectively, as on the date of this Draft Red Herring Prospectus. Further V.S.S. Mani holds one Preference Share Series B and SAPV and EGCS hold 484,030 Preference Shares Series C and 484,030 Preference Shares Series C, respectively, as on the date of this Draft Red Herring Prospectus. Prior to filing of the Red Herring Prospectus with the RoC, (i) 159,598 Preference Shares Series A held by SAIF will be converted into 159,598 Equity Shares; (ii) 35,967 Preference Shares Series A held by Tiger Global Four JD Holdings will be converted into 35,967 Equity Shares; (iii) one Preference Share Series B held by V.S.S. Mani will be converted into one Equity Share; (iv) 484,030 Preference Shares Series C held by SAPV will be converted into 484,030 Equity Shares; and (v) 484,030 Preference Shares Series C held by EGCS will be converted into 484,030 Equity Shares. Upon conversion of the Preference Shares Series A into Equity Shares, SAIF and Tiger Global Four JD Holdings will be allotted 8,777,890 Equity Shares and 1,978,185 Equity Shares, respectively, as bonus shares, on account of the bonus issue in the ratio of 55:1, undertaken by our Company on April 24, 2010 and in accordance with the terms of the Shareholders' Agreement. Accordingly, the pre-Issue paid up capital of our Company after the conversion of the Preference Shares and consequent allotment of bonus shares to SAIF and Tiger Global Four JD Holdings will consist of 63,827,967 Equity Shares of ₹ 10 each. Also please see the section "History and Certain Corporate Matters – Summary of Key Agreements" on page 139.

⁽²⁾ The Fresh Issue has been authorized pursuant to a resolution of our Board of Directors dated July 27, 2011 and by a special resolution passed pursuant to section 81(1A) of the Companies Act, at the EGM of the shareholders of our Company held on August 2, 2011.

⁽³⁾ The Offer for Sale has been authorized by SAIF, Sequoia, Tiger Global Four JD Holdings and Tiger Global Five Indian Holdings by their board resolutions dated August 12, 2011, August 12, 2011, August 11, 2011 and August 11, 2011, respectively and by V.S.S. Mani, Anita Mani, Ramani Iyer and V. Krishnan by their letters dated August 6, 2011. The Equity Shares to be offered in the Offer for Sale 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 Issue.

⁽⁴⁾ Securities Premium Account consists of the premium received by our Company from allotment of Equity Shares and Preference Shares.

- (5) *If the High Court of Bombay approves the Scheme and the Scheme becomes effective, our Company will deduct the book values of the assets and liabilities pertaining to its IT-related testing and other related services from the assets and liabilities in its books of account. Further, our Company will adjust the difference between the value of the assets and the liabilities transferred pursuant to the Scheme against the securities premium account, followed by the general reserve account and balance, if any, against the profit and loss account upon the Scheme becoming effective. As a result, the net worth of our Company and the book value per Equity Share shall stand substantially reduced. To the extent that the amount is required to be adjusted against the securities premium account, the Scheme proposes a reduction of capital of our Company in accordance with the provisions of the Companies Act. 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 138.*

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 31.
- (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 the 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	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) ⁽¹⁾	10	-	-	929,650	9,296,500	-
February 24, 2007	(26,214) ⁽²⁾	10	-	-	903,436	9,034,360	-
March 7, 2007	282,304	10	-	Other than cash	1,185,740	11,857,400	-
March 7, 2007	(331,849) ⁽³⁾	10	-	-	853,891	8,538,910	-
March 30, 2007	2,327	10	10	Cash	856,218	8,562,180	3,932,630 ⁽⁴⁾
April 1, 2010	12,623	10	10	Cash	868,841	8,688,410	26,598,523 ⁽⁵⁾
April 24, 2010	47,786,255	10	-	Other than cash ⁽⁶⁾	48,655,096	486,550,960	- ⁽⁶⁾
May 1, 2010	56,921	10	10	Cash ⁽⁷⁾	48,712,017	487,120,170	-
May 1, 2010	3,130,655 ⁽⁷⁾	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 ⁽⁸⁾
May 31, 2011	2,800	10	80	Cash	51,908,266	519,082,660	4,605,580 ⁽⁹⁾

⁽¹⁾ Buy back of Equity Shares by our Company at a price of ₹ 2,574 per Equity Share, 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 authorised by our shareholders through a resolution dated January 29, 2007.

⁽³⁾ 331,849 Equity Shares held by RRR Computech (India) Private Limited were cancelled pursuant to the scheme of arrangement between our Company and RRR Computech (India) Private Limited (the "Scheme of Arrangement"). For further details, please see the section "History and Certain Corporate Matters - Scheme of Amalgamation between our Company and RRR Computech (India) Private Limited" on page 137.

⁽⁴⁾ ₹ 3,932,630 was transferred from the profit and loss account to the share premium account of our Company, being the difference between the fair value of Equity Shares and the price at which Equity Shares were allotted under ESOP 2007.

⁽⁵⁾ ₹ 22,665,893 was transferred from the profit and loss account to the share premium account of our Company, being the difference between the fair value of Equity Shares and the price at which Equity Shares were allotted under ESOP 2007 and 2008.

⁽⁶⁾ 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.

⁽⁷⁾ 56,921 Equity Shares were allotted to SAIF on conversion of 56,921 Preference Shares Series A. Further, SAIF was allotted 3,130,655 Equity Shares as bonus shares on May 1, 2010, upon conversion of 56,921 Preference Shares Series A, on account of the bonus issue in the ratio 55:1 undertaken by our Company on April 24, 2010.

⁽⁸⁾ 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.

⁽⁹⁾ In terms of the scheme of arrangement between our Company and JD Global, our Company will deduct the book values of the assets and liabilities pertaining to its IT-related testing and other related services from the assets and liabilities in its books of account, upon the

scheme of arrangement becoming effective. Further, our Company will adjust the difference between the value of the assets and the liabilities transferred pursuant to the scheme of arrangement against the securities premium account, followed by the general reserve account and balance, if any, against the profit and loss account upon the scheme of arrangement becoming effective. As a result, the net worth of our Company and the book value per Equity Share shall stand substantially reduced. To the extent that the amount is required to be adjusted against the securities premium account, the Demerger Scheme proposes a reduction of capital of our Company in accordance with the provisions of the Companies Act. For further details please see the section "History and Certain Corporate Matters" on page 135.

⁽⁸⁾ ₹ 14,000 was transferred from the profit and loss account to the share premium account of our Company, being 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	-		
March 7, 2007	(viii) Geeta Rajan	5,600	10	-	Equity Shares allotted pursuant to the scheme of arrangement pursuant to sections 391 and 394 of the Companies Act between our Company and RRR Computech (India) Private Limited. For further details, please see the section "History and Certain Corporate Matters - Scheme of Amalgamation between our Company and RRR Computech (India) Private Limited" on page 137.	Amalgamation of RRR Infotech (India) Private Limited with our Company
	Shareholders of RRR Computech (India) Private Limited, namely Clearmist Limited and Rajnaidu Venugopal	282,304	10	-		
April 24, 2010	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 II Mauritius Company Limited	3,130,655	10	-	3,130,655 Bonus Equity Shares were allotted to SAIF II Mauritius Company Limited in the ratio 55:1, pursuant to conversion of 56,921 Preference Shares	-

(c) The history of the preference share capital and share premium account of our Company is detailed in the following table:

(i) *6% Cumulative Optionally Convertible Redeemable Preference Shares of Series A ("Preference Shares Series A")*

Date of Allotment	No. of Preference Shares Allotted	Face Value (₹)	Issue Price (₹)	Consideration	Cumulative No. of Preference Shares	Cumulative paid-up Preference Capital (₹)	Cumulative Preference Share Premium (₹)
October 16, 2006	207,806 ⁽¹⁾	10	2,632.01	Cash	207,806	2,078,060	544,869,410.06
June 22, 2007	34,169 ⁽²⁾	10	4,594.94	Cash	241,975	2,419,750	701,532,224.92
July 3, 2007	10,511 ⁽³⁾	10	4,606.99	Cash	252,486	2,524,860	749,851,186.81
May 1, 2010	(56,921) ⁽⁴⁾	10	-	-	195,565 ⁽⁵⁾	1,955,650	Nil ⁽⁶⁾

⁽¹⁾ Allotted to SAIF II Mauritius Company Limited

⁽²⁾ Allotted to Tiger Global Four Holdings. These Preference Shares were later transferred to Tiger Global Four JD Holdings.

⁽³⁾ 8,713 Optionally Convertible Redeemable Preference Shares were allotted to SAIF II Mauritius Company Limited and 1,798 Optionally Convertible Redeemable Preference Shares were allotted to Tiger Global Principals Limited. These 1,798 Optionally Convertible Redeemable Preference Shares were later transferred to Tiger Global Four JD Holdings.

⁽⁴⁾ 56,921 6% Cumulative Optionally Convertible Preference Shares of Series A were converted by SAIF II Mauritius Company Limited into 56,921 Equity Shares. SAIF was allotted 3,130,655 Equity Shares as bonus shares on May 1, 2010, upon conversion of 56,921 Preference Shares Series A, on account of the bonus issue in the ratio 55:1 undertaken by our Company on April 24, 2010.

⁽⁵⁾ The outstanding Preference Shares Series A will be converted into 195,565 Equity Shares prior to filing of the Red Herring Prospectus with the RoC.

⁽⁶⁾ The amount standing to the credit of the securities premium account of our Company was utilised to undertake the bonus issue in the ratio 55:1 on April 24, 2010.

(ii) *0.1% Non-cumulative Optionally Convertible Redeemable Preference Shares of Series B ("Preference Shares Series B")*

Date of Allotment	No. of Preference Shares Allotted	Face Value (₹)	Issue Price (₹)	Consideration	Cumulative No. of Preference Shares	Cumulative paid-up Preference Capital (₹)	Cumulative Preference Share Premium (₹)
July 3, 2007	1 ⁽¹⁾	10	10	Cash	1	10	-

⁽¹⁾ Allotted to V.S.S. Mani. This Preference Share Series B will be converted into one Equity Share prior to filing of the Red Herring Prospectus with the RoC.

(iii) *6% Compulsorily Convertible Redeemable Preference Share of Series C ("Preference Shares Series C")*

Date of Allotment	No. of Preference Shares Allotted	Face Value (₹)	Issue Price (₹)	Consideration	Cumulative No. of Preference Shares	Cumulative paid-up Preference Capital (₹)	Cumulative Preference Share Premium (₹)
May 31, 2011	968,060 ⁽¹⁾	10	344.88	Cash	968,060 ⁽²⁾	9,680,600	324,183,932.80

⁽¹⁾ 484,030 Preference Shares Series C each allotted by our Company to EGCS and SAPV.

⁽²⁾ The outstanding Preference Shares Series C will be converted into 968,060 Equity Shares prior to filing of the Red Herring Prospectus with the RoC.

Preference Shares Series A and Preference Shares Series C can be converted into Equity Shares of our Company at any time. Preference Share Series B shall be converted into one Equity Share of our Company upon a liquidation event or a qualified initial public offering of our Company as specified in the Shareholders' Agreement. Each Preference Share shall be converted into one Equity Share of our Company. The outstanding Preference Shares will be converted into Equity Shares prior to the filing of the Red Herring Prospectus with the RoC.

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	Face Value (₹)	Issue/ Acquisition/Sale Price per Equity Share (₹)
V.S.S. Mani					
October 11, 1993	Subscription to memorandum	10	Cash	10	10
March 31, 1995	Allotment	3,275	Other than cash	10	10
March 31, 1997	Allotment	20,350	Other than cash	10	10
October 1, 1998	Purchase	42,381	Cash	10	10
November 19, 1998	Allotment	11,800	Cash	10	10
May 25, 2000	Sale	(38,908)	Cash	10	10
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	10	-
February 10, 2006	Gifted	(25,000)	Gift	10	-
March 21, 2006	Purchase	2,278	Cash	10	440
May 30, 2006	Purchase	13,923	Cash	10	440
May 30, 2006	Purchase	1,375	Cash	10	440
September 28, 2006	Purchase	1,749	Cash	10	440
September 28, 2006	Gifted	(19,818)	Gift	10	-
September 28, 2006	Gifted	(19,818)	Gift	10	-
December 19, 2006	Buyback of Equity Shares by our Company	(26,243)	Cash	10	2,574
February 24, 2007	Sale	(500)	Cash	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	10	440
June 22, 2007	Received as gift	5,585	Gift	10	-
June 22, 2007	Received as gift	5,585	Gift	10	-
June 22, 2007	Sale	(2,792)	Cash	10	4,607
June 22, 2007	Sale	(53,058)	Cash	10	4,595
August 24, 2009	Purchase	3	Cash	10	3,250
April 24, 2010	Allotment	22,295,790	Bonus issue in the ratio of 55:1	10	10
March 25, 2011	Gifted	(387,224)	Gift	10	-
Total		22,313,944			
Anita Mani					
October 11, 1993	Subscription to memorandum	10	Cash	10	10
March 31, 1995	Allotment	3,775	Other than cash	10	10
March 31, 1997	Allotment	24,150	Other than cash	10	10
October 1, 1998	Sale	(14,781)	Cash	10	10
November 19, 1998	Allotment	6,300	Cash	10	10
May 25, 2000	Sale	(9,727)	Cash	10	10
April 24, 2010	Allotment	534,985	Bonus issue in the ratio of 55:1	10	10
Total		544,712			
Ramani Iyer					

Date of Transaction	Nature of Transaction	No. of Equity Shares	Nature of consideration	Face Value (₹)	Issue/Acquisition/Sale Price per Equity Share (₹)
March 31, 1997	Allotment	2,550	Cash	10	10
October 1, 1998	Sale	(2,550)	Cash	10	10
February 10, 2006	Received as gift	25,000	Cash	10	-
September 28, 2006	Received as gift	19,818	Gift	10	-
June 22, 2007	Gifted	(5,585)	Gift	10	-
April 24, 2010	Allotment	2,157,815	Bonus issue in the ratio of 55:1	10	10
June 29, 2011	Sale	(163,763)	Cash	10	344.88
Total		2,033,285			
V. Krishnan					
March 31, 1997	Allotment	2,550	Cash	10	10
October 1, 1998	Sale	(2,550)	Cash	10	10
February 10, 2006	Received as gift	25,000	Cash	10	-
September 28, 2006	Received as gift	19,818	Gift	10	-
June 22, 2007	Gifted	(5,585)	Gift	10	-
April 24, 2010	Allotment	2,157,815	Bonus issue in the ratio of 55:1	10	10
March 25, 2011	Received as gift	387,224	Gift	10	-
June 29, 2011	Sale	(163,763)	Cash	10	344.88
Total		2,420,509			

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 Issue constituting not less than 20% of fully diluted the post-Issue capital, which shall be locked in for a period of three years from the date of Allotment in the Issue. As of the date of this Draft Red Herring Prospectus, our Promoters collectively hold 27,312,450 Equity Shares, out of which 26,925,226 Equity Shares are eligible in terms of Regulation 33 of the SEBI Regulations

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 Issue 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-Issue paid-up capital
V.S.S. Mani					
[•]	[•]	[•]	[•]	[•]	[•]
Anita Mani					
[•]	[•]	[•]	[•]	[•]	[•]
Ramani Iyer					
[•]	[•]	[•]	[•]	[•]	[•]
V. Krishnan					
[•]	[•]	[•]	[•]	[•]	[•]

The minimum Promoters' contribution shall be brought in to the extent of not less than the specified minimum lot and from the persons defined as Promoters under the SEBI Regulations.

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-Issue Equity Share capital locked in for one year:*

In addition to the 20% of the fully diluted post-Issue shareholding of our Company held by our Promoters and locked in for three years as specified above, the entire pre-Issue equity share capital, other than the Equity Shares forming part of the Offer for Sale and the Equity Shares held by the employees of our Company 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 Issue.

(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 Issue 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 three years from the date of Allotment in the Issue can be pledged with any scheduled commercial bank or public financial institution as collateral security for loans granted by such banks or institution, provided that the pledge of Equity Shares can be created when the loan has been granted by such bank or financial institution for financing one or more of the objects of the Issue and pledge of such Equity Shares is one of the terms of sanction of the loan.

The Equity Shares held by our Promoters which are locked-in for a period of one year from the date of Allotment in the Issue 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 Issue.

3. Shareholding Pattern of our Company

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

Category of Shareholders	Pre-Issue (Prior to conversion of Preference Shares)		Pre-Issue (After conversion of Preference Shares)		Post-Issue	
	No. of Equity Shares	Shareholding Percentage %	No. of Equity Shares	Shareholding Percentage %	No. of Equity Shares	Shareholding Percentage %
Promoter						
V.S.S. Mani	22,313,944	42.99	22,313,945	34.96	[●]	[●]
Anita Mani	544,712	1.05	544,712	0.85	[●]	[●]
Ramani Iyer	2,033,285	3.92	2,033,285	3.19	[●]	[●]
V. Krishnan	2,420,509	4.66	2,420,509	3.79	[●]	[●]
Sub Total (A)	27,312,450	52.62	27,312,451	42.79	[●]	[●]
Promoter Group	0	0.00	0	0.00	[●]	[●]
Sub Total (B)	0	0.00	0	0.00	[●]	[●]

Category of Shareholders	Pre-Issue (Prior to conversion of Preference Shares)		Pre-Issue (After conversion of Preference Shares)		Post-Issue	
	No. of Equity Shares	Shareholding Percentage %	No. of Equity Shares	Shareholding Percentage %	No. of Equity Shares	Shareholding Percentage %
Total Holding of Promoters and Promoter Group (C=A + B)	27,312,450	52.62	27,312,451	42.79	[●]	[●]
Public Shareholding (D)						
Sequoia	6,608,784	12.73	6,608,784	10.35	[●]	[●]
SAIF	4,839,744	9.32	13,777,232	21.58	[●]	[●]
Tiger Global Four JD Holdings	6,567,960	12.65	8,582,112	13.45	[●]	[●]
Tiger Global Five Indian Holdings	5,321,008	10.25	5,321,008	8.34	[●]	[●]
EGCS	163,763	0.32	647,793	1.01	[●]	[●]
SAPV	163,763	0.32	647,793	1.01	[●]	[●]
Amitabh Bachchan	62,794	0.12	62,794	0.10	[●]	[●]
Employees	868,000	1.67	868,000	1.36	[●]	[●]
Sub Total (D)	24,595,816	47.38	36,515,516	57.21	[●]	[●]
Total (A+B+C+D)	51,908,266	100.00	63,827,967	100.00	[●]	[●]
Public (pursuant to the Issue) (E)	-	-	-	-	[●]	[●]
Total Share Capital (A+B+C+D+E)	51,908,266	100.00	63,827,967	100.00	[●]	[●]

4. **Equity Shares held by the top 10 shareholders:**

(a) As of the date of the Draft 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 Share Series B convertible into one Equity Share
2.	Sequoia Capital India Investments III	6,608,784	12.73	Nil
3.	Tiger Global Four JD Holdings	6,567,960	12.65	35,967 Preference Shares Series A convertible into 35,967 Equity Shares*
4.	Tiger Global Five Indian Holding	5,321,008	10.25	Nil
5.	SAIF II Mauritius Company Limited	4,839,744	9.32	159,598 Preference Shares Series A convertible into 159,598 Equity Shares*
6.	V. Krishnan	2,420,509	4.66	Nil
7.	Ramani Iyer	2,033,285	3.92	Nil
8.	Anita Mani	544,712	1.05	Nil
9.	EGCS	163,763	0.32	484,030 Preference Shares Series C convertible into 484,030 Equity Shares
10.	SAPV	163,763	0.32	484,030 Preference Shares Series C convertible into 484,030 Equity Shares

Sr. No.	Name of the shareholder	No. of Equity Shares held	Percentage (%)	Convertible instruments held
TOTAL		50,977,472	98.21	

* Upon conversion of the Preference Shares Series A into Equity Shares, SAIF and Tiger Global Four JD Holdings will be allotted 8,777,890 Equity Shares and 1,978,185 Equity Shares, respectively, as bonus shares, on account of the bonus issue in the ratio of 55:1, undertaken by our Company on April 24, 2010, and in accordance with the terms of the Shareholders' Agreement.

(b) As of 10 days prior to the date of the Draft 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 Share Series B convertible into one Equity Share
2.	Sequoia Capital India Investments III	6,608,784	12.73	Nil
3.	Tiger Global Four JD Holdings	6,567,960	12.65	35,967 Preference Shares Series A convertible into 35,967 Equity Shares*
4.	Tiger Global Five Indian Holding	5,321,008	10.25	Nil
5.	SAIF II Mauritius Company Limited	4,839,744	9.32	159,598 Preference Shares Series A convertible into 159,598 Equity Shares*
6.	V. Krishnan	2,420,509	4.66	Nil
7.	Ramani Iyer	2,033,285	3.92	Nil
8.	Anita Mani	544,712	1.05	Nil
9.	EGCS	163,763	0.32	484,030 Preference Shares Series C convertible into 484,030 Equity Shares
10.	SAPV	163,763	0.32	484,030 Preference Shares Series C convertible into 484,030 Equity Shares
TOTAL		50,977,472	98.21	

* Upon conversion of the Preference Shares Series A into Equity Shares, SAIF and Tiger Global Four JD Holdings will be allotted 8,777,890 Equity Shares and 1,978,185 Equity Shares, respectively, as bonus shares, on account of the bonus issue in the ratio of 55:1, undertaken by our Company on April 24, 2010, and in accordance with the terms of the Shareholders' Agreement.

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

Sr. No.	Name of the shareholder	No. of Equity Shares held	Percentage (%)	Convertible instruments held
1.	V. S. S. Mani	405,375	47.34	One Preference Share Series B convertible into one Equity Share
2.	Sequoia Capital India Investments III	118,014	13.78	Nil
3.	Tiger Global Four Holdings	111,422	13.01	34,169 Preference Shares Series A convertible into 34,169 Equity Shares
4.	Tiger Global Five Holdings	80,990	9.46	Nil
5.	Ramani Iyer	39,233	4.58	Nil
6.	V. Krishnan	39,233	4.58	Nil

Sr. No.	Name of the shareholder	No. of Equity Shares held	Percentage (%)	Convertible instruments held
7.	SAIF II Mauritius Company Limited	29,503	3.45	216,519 Preference Shares Series A convertible into 216,519 Equity Shares
8.	Tiger Global Principals Limited	10,613	1.24	1,798 Preference Shares Series A convertible into 1,798 Equity Shares
9.	Anita Mani	9,727	1.14	Nil
10.	Vemuri Snehprabha	9,278	1.08	Nil
TOTAL		853,388	99.67	

5. Employee Stock Option Plan

The employee stock options of our Company have been granted under three employee stock options 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 0.018% of the pre-Issue paid-up equity capital of our Company. 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 granted 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 Draft Red Herring Prospectus:

Particulars	Details
Options granted	9,400 during fiscal 2007
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	₹ 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
Options forfeited/lapsed/cancelled	1,425 ⁽¹⁾
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	

Particulars	Details
(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-Issue 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	₹ 28,272 Impact on profit: Profit would be less by ₹ 28,272 Impact on EPS (basic): 0.00 Impact on EPS (diluted): 0.00
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	Weighted average exercise price – ₹ 10 Weighted average fair value – ₹ 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	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: 7.64%, 7.96%, 8.22% and 8.28% for each of 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	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 of the last three years	Fiscal 2011: Nil Fiscal 2010: ₹ 854,560 Fiscal 2009: ₹ 2,555,772
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 Issue	Nil

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

⁽¹⁾ 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 18,545 options convertible into 18,545 Equity Shares, which represents 0.036% of the pre-Issue paid-up equity capital of our Company. From the 18,545 options granted under ESOP 2008, 6,975 options have been exercised and converted into 6,975 Equity Shares. There are 11,570 options, outstanding under ESOP 2008, which are convertible into 11,570 Equity Shares. In terms of ESOP 2008, upon exercise of these 11,570 options and consequent conversion of such options into 11,570 Equity Shares, our Company will allot an aggregate of additional 636,350 Equity Shares to the holders of these options, in the ratio of 55 Equity Shares for every one option held by them. This proposed allotment of additional 636,350 Equity Shares to the holders of the outstanding 11,570 options under ESOP 2008 is in connection with the bonus issue in the ratio 55:1, undertaken by our Company on April 24, 2010. The following table sets forth the particulars of the options granted under ESOP 2008 as of the date of filing of this Draft Red Herring Prospectus:

Particulars	Details
Options granted	18,545
The pricing formula	Under ESOP 2008, Equity Shares

Particulars	Details
	pursuant to exercise of the options were issued at face value, i.e., ₹ 10
Exercise price of options	- Category – I (6,975 options) - ₹ 10 per option - Category – II (11,170 options) – ₹ 4,595 per option - Category – III (400 options) - ₹ 4,500 per option
Total options vested	10,366
Options exercised	6,975
Total number of Equity Shares that would arise as a result of full exercise of options already granted	18,545
Options forfeited/lapsed/cancelled	Nil
Variation in terms of options	NA
Money realised by exercise of options	₹ 69,750
Options outstanding (in force)	11,570*
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-Issue basis on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'	₹ 4.58 (As on March 31, 2011 on a standalone basis) ₹ 4.56 (As on March 31, 2011 on a consolidated basis)
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	₹ 1,031,561 Impact on profit: Profit would be less by ₹ 1,031,561 Impact on EPS (basic): 0.00 Impact on EPS (diluted): 0.00
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	Weighted average exercise price of options where exercise price is less than fair value: ₹ 10 Weighted average exercise price of options whether exercise price is more than the fair value: ₹ 4,591.72 Weighted average fair value of options where exercise price is less than fair value: ₹ 2,094 Weighted average fair value of options where exercise price is more than the

Particulars	Details
	fair value: ₹ 64.70
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: For Category - I (6,975 options): - Risk free interest rate: 7.58%; - Expected life: seven years; - Expected volatility: Nil - Expected dividends: Nil - Price of underlying share in market at the time of grant of option: NA For Category - II (11,170 options): - Risk free interest rate: 7.87%; - Expected life: seven years; - Expected volatility: Nil - Expected dividends: Nil - Price of underlying share in market at the time of grant of option: NA For Category - III (400 options): - Risk free interest rate: 7.67%; - Expected life: seven years; - Expected volatility: Nil - Expected dividends: Nil - Price of underlying share in market at the time of grant of option: NA
Vesting schedule	Please see Note 4 below
Lock-in	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.
Impact on profits of the last three years	Fiscal 2011: Nil Fiscal 2010: ₹ 13,119,975 Fiscal 2009: Nil
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 Issue	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

* The holders of these 11,570 options are entitled to receive bonus shares in the ratio of 55 Equity Shares for every one Equity Share allotted to them upon conversion of the options, on account of the bonus issue in the ratio 55:1, undertaken by our Company on April 24, 2010. Accordingly, upon conversion of these 11,570 options, our Company will issue an additional 636,350 Equity Shares over and above the 11,570 Equity Shares arising from such conversion.

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	0	11,170
Koora Srinivas	850	850	0

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 20008 (%) [*]		
	Category – I	Category – II	Category – III
Immediately upon grant of the options	100	-	-
March 31, 2010	-	10	10
March 31, 2011	-	20	20
March 31, 2012	-	30	30
March 31, 2013	-	40	40

* Category – I consists of 6,975 options granted under ESOP 2008, Category – II consists of 11,170 options granted under ESOP 2008 and Category – III consists of 400 options 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 1,027,675 options during fiscal 2011, convertible into 1,027,675 Equity Shares, which represents 1.98% of the pre-Issue paid-up equity capital of our Company. Out of the 1,027,675 options granted under ESOP 2010, 2,800 options have been exercised and converted into 2,800 Equity Shares. The following table sets forth the particulars of the options granted under ESOP 2010 as of the date of filing of this Draft Red Herring Prospectus:

Particulars	Details
Options granted	1,027,675
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	• Category – I (82,936 options) - ₹ 80 per option • Category – II (640,727 options) – ₹ 80 per option • Category – III (155,176 options) - ₹ 10 per option • Category – II (138,525 options) – ₹ 80 per option • Category – II (10,311 options) – ₹ 80 per option
Total options vested	20,734
Options exercised	2,800
Total number of Equity Shares that would arise as a result of full exercise of options already granted	1,027,675
Options forfeited/lapsed/cancelled	Nil
Variation in terms of options	NA
Money realised by exercise of options	₹ 224,000
Options outstanding (in force)	1,024,875
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-Issue basis on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'	₹ 4.58 (As on March 31, 2011 on a standalone basis) ₹ 4.56 (As on March 31, 2011 on a consolidated basis)
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	₹ 6,496,520 Impact on profit: Profit would be less by ₹ 6,496,520 Impact on EPS (basic): 0.00 Impact on EPS (diluted): 0.00
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	Weighted average exercise price: ₹ 69.43 Weighted average fair value: ₹ 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	Our Company has adopted the Black Scholes method to estimate the fair value of the options with the following assumptions:

Particulars	Details
market at the time of grant of the option	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	Category – I (82,936 options): i. 25% on March 31, 2011; ii. 25% on March 31, 2012; iii. 25% on March 31, 2013; iv. 25% on March 31, 2014; Category – II (640,727 options): i. 10% on July 31, 2011; ii. 20% on July 31, 2012; iii. 30% on July 31, 2013; iv. 40% on July 31, 2014; Category – III (155,176 options): i. 10% on October 31, 2011; ii. 20% on October 31, 2012; iii. 30% on October 31, 2013; iv. 40% on October 31, 2014; Category – IV (138,525 options): i. 10% on December 31, 2011; ii. 20% on December 31, 2012; iii. 30% on December 31, 2013; iv. 40% on December 31, 2014; Category – V (10,311 options): 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 of the last three years	Fiscal 2011: ₹ 3,239,525 Fiscal 2010: Nil Fiscal 2009: Nil
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 Issue	Nil
Intention to sell equity shares arising out of the exercise of shares 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)	Nil

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	0	155,176
Koora Srinivas	45,976	0	45,976
Shreos Roy Chowdhury	35,000	0	35,000
Sachin Jain	4,000	0	4,000

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

6. 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.
7. The details of the Equity Shares issued by our Company during a period of one year preceding the date of this Draft Red Herring Prospectus at a price which may be lower than the Issue price are provided in the following table:

Sr. No.	Name of Person/Entity	Date of Issue	No. of Equity Shares*	Issue price (₹)	Reason
1.	Amitabh Bachchan	January 27, 2011	62,794	10	Allotted in accordance with the share subscription agreement dated February 10, 2011 executed between our Company and Amitabh Bachchan.
2.	Rajesh Khona	May 31, 2011	2,800	80	Allotted pursuant to ESOP 2010

* SAIF and Tiger Global Four JD Holdings hold 159,598 Preference Shares Series A and 35,967 Preference Shares Series A, respectively, as on the date of this Draft Red Herring Prospectus. Further V.S.S. Mani holds one Preference Share Series B and SAPV and EGCS hold 484,030 Preference Shares Series C and 484,030 Preference Shares Series C, respectively, as on the date of this Draft Red Herring Prospectus. Prior to filing of the Red Herring Prospectus with the RoC, (i) 159, 598 Preference Shares Series A held by SAIF will be converted into 159, 598 Equity Shares; (ii) 35,967 Preference Shares Series A held by Tiger Global Four JD Holdings will be converted into 35,967 Equity Shares; (iii) one Preference Share Series B held by V.S.S. Mani will be converted into one Equity Share; (iv) 484,030 Preference Shares Series C held by SAPV will be converted into 484,030 Equity Shares; and (v) 484,030 Preference Shares Series C held by EGCS will be converted into 484,030 Equity Shares. Upon conversion of the Preference Shares Series A into Equity Shares, SAIF and Tiger Global Four JD Holdings will be allotted 8,777,890 Equity Shares and 1,978,185 Equity Shares, respectively, as bonus shares, on account of the bonus issue in the ratio of 55:1, undertaken by our Company on April 24, 2010 and in accordance with the terms of the Shareholders' Agreement. Accordingly, the pre-Issue paid up capital of our Company after the conversion of the Preference Shares and consequent allotment of bonus shares to SAIF and Tiger Global Four JD Holdings will consist of 63,827,967 Equity Shares of ₹10 each. Also please see the section "History and Certain Corporate Matters – Summary of Key Agreements" on page 139.

None of the persons to whom Equity Shares have been allotted at a price which may be lower than the Issue Price, as mentioned above, is part of our Promoter Group.

8. 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 this Draft Red Herring Prospectus with SEBI:

Sr. No.	Name of the Director/ Promoters/ Promoter Group	Date of the Transaction	No. of Equity Shares	Issue price (₹)	Nature of Transaction
1.	V.S.S. Mani	March 25, 2011	387,224	-	Gift of Equity Shares to V. Krishnan
2.	V. Krishnan	March 25, 2011	387,224	-	Gift of Equity Shares from V.S.S. Mani
3.	V. Krishnan	June 29, 2011	163,763	344.88	Sale to EGCS
4.	Ramani Iyer	June 29, 2011	163,763	344.88	Sale to SAPV

9. Our Company has not issued any Equity Shares out of revaluation reserves.
10. Except as stated under “Share Capital History of our Company” on page 66, our Company has not issued any Equity Shares pursuant to any scheme approved under the sections 391-394 of the Companies Act.
11. None of the BRLMs or any associates of the BRLMs hold any Equity Shares in our Company.
12. An oversubscription to the extent of 10% of the Issue can be retained for the purposes of rounding off to the nearer multiple of minimum allotment lot.
13. All Equity Shares will be fully paid up at the time of Allotment failing which no Allotment shall be made.
14. 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 this Draft Red Herring Prospectus.
15. SAIF and Tiger Global Four JD Holdings hold 159,598 Preference Shares Series A and 35,967 Preference Shares Series A, respectively, as on the date of this Draft Red Herring Prospectus. Further V.S.S. Mani holds one Preference Share Series B and SAPV and EGCS hold 484,030 Preference Shares Series C and 484,030 Preference Shares Series C, respectively, as on the date of this Draft Red Herring Prospectus. Prior to filing of the Red Herring Prospectus with the RoC, (i) 159, 598 Preference Shares Series A held by SAIF will be converted into 159,598 Equity Shares; (ii) 35,967 Preference Shares Series A held by Tiger Global Four JD Holdings will be converted into 35,967 Equity Shares; (iii) one Preference Share Series B held by V.S.S. Mani will be converted into one Equity Share; (iv) 484,030 Preference Shares Series C held by SAPV will be converted into 484,030 Equity Shares; and (v) 484,030 Preference Shares Series C held by EGCS will be converted into 484,030 Equity Shares. Upon conversion of the Preference Shares Series A into Equity Shares, SAIF and Tiger Global Four JD Holdings will be allotted 8,777,890 Equity Shares and 1,978,185 Equity Shares, respectively, as bonus shares, on account of the bonus issue in the ratio of 55:1, undertaken by our Company on April 24, 2010 and in accordance with the terms of the Shareholders’ Agreement. Accordingly, the pre-Issue paid up capital of our Company after the conversion of the Preference Shares and consequent allotment of bonus shares to SAIF and Tiger Global Four JD Holdings will consist of 63,827,967 Equity Shares. Also please see the section “History and Certain Corporate Matters – Summary of Key Agreements” on page 139.
16. There are 1,036,445 options outstanding under the ESOP Schemes of our Company which are convertible into 1,036,445 Equity Shares. Out of these 1,036,445 options, the holders of 11,570 options that were granted under ESOP 2008 are entitled to receive an aggregate of 636,350 Equity Shares as bonus shares, upon exercise of these options, on account of the bonus issue in the ratio of 55:1 undertaken by our Company on April 24, 2010.
17. Except as stated in notes (15) and (16) above, there will be no further issue of Equity Shares, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed.

18. Other than as mentioned in notes (15) and (16) above, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares.
19. 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/Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether 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.
20. Our Company shall Allot at least 50% of the Issue 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 Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue 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 50% of the Issue shall be Allotted to QIBs, and in the event that at least 50% of the Issue cannot be Allotted to QIBs, the entire application money shall be refunded forthwith.
21. 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 ISSUE

The Issue consists of the Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders.

Offer for Sale

Our Company will not receive any proceeds from the Offer for Sale by the Selling Shareholders.

Fresh Issue

The Net Proceeds are estimated to be approximately ₹ [●] million.

The Company intends to utilise the Net Proceeds for the following objects:

- (i). Enhancement of our Company's brand through advertising and other brand-building activities;
- (ii). Establishing new offices;
- (iii). Procurement and upgradation of computer hardware; and
- (iv). General Corporate Purposes.

The main objects and objects incidental and ancillary to the main objects set out in the Memorandum of Association enable our Company to undertake its existing activities and the activities for which funds are being raised by our Company through the Fresh Issue.

The details of the Net Proceeds are summarised in the table below:

Particulars	Amount (₹ in million)
Gross Proceeds from the Issue	[●]
(Less) Issue related expenses ⁽¹⁾⁽²⁾	[●]
(Less) Offer for Sale portion	[●]
Net Proceeds⁽¹⁾	[●]

⁽¹⁾ To be finalised upon determination of the Issue Price.

⁽²⁾ Only the proportionate Issue related expenses borne by our Company would be included.

The fund requirements for the objects of the Issue are based on internal management estimates and have not been appraised by any bank or financial institution. Our Company may have to revise its expenditure and fund requirements due to external factors, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management. Please see "Risk Factors – We will have considerable discretion as to the use of the Net Proceeds from this Issue and we are not subject to monitoring by any independent agency." on page 26.

In case of any variation in the actual utilisation of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the objects stated above, our Company may explore a range of options including utilising its internal accruals and obtaining debt from lenders.

Schedule of utilization

The following table details the schedule of utilisation of the Net Proceeds:

(₹ in million)		
Sr. No.	Particulars	Estimated schedule of deployment of Net Proceeds

		Fiscal 2012	Fiscal 2013	Fiscal 2014	Total
1.	Enhancement of our Company's brand through advertising and other brand-building activities	108.11	437.28	467.63	1,013.01
2.	Establishing new offices	153.71	231.00	125.40	510.11
3.	Procurement and upgradation of computer hardware	227.50	318.22	448.90	994.62
4.	General corporate purposes	[●]	[●]	[●]	[●]
	Total	[●]	[●]	[●]	[●]

In the event that the estimated utilisation of the Net Proceeds in a fiscal is not completely met, the same shall be utilised in the next fiscal.

Any amount, deployed by our Company out of internal accruals towards the aforementioned objects during the period between the date of filing of the Draft Red Herring Prospectus and the date of receipt of Net Proceeds shall be reimbursed to our Company from the Net Proceeds of the Issue.

Details of the Objects of the Fresh Issue

1. *Enhancement of our Company's brand through advertising and other brand-building activities*

In order to strengthen its position in the local search engine market in India, our Company intends to create awareness of its brand through advertising and various other promotional activities, such as celebrity endorsements, organising contests for our users and event sponsorships. Our Company proposes to utilize ₹ 1,013.01 million from the Net Proceeds towards enhancement of our Company's brand through advertising and other brand-building activities. Our Company believes that brand promotion activities would enable it to broaden its footprint beyond its 11 largest cities in India. Whilst historically our Company's brand development in its 11 largest cities has been fuelled through word of mouth by users based on their experience with our service and such users sharing their experience with others, our Company believes that increasing the awareness of our brand and services throughout rest of India would require direct marketing efforts and innovative brand-building strategies.

Our brand-building strategies would comprise of undertaking the following activities:

- (a). Advertising campaign through various media - Our Company proposes to undertake advertising campaign through various media, including television, radio, the internet and billboards. Such advertising campaign could be of a general nature related to our Company or focused on specific services, either existing or newly introduced, being provided by our Company.
- (b). Celebrity endorsements - Our Company may consider undertaking celebrity endorsements of our Company or its services in addition to those being currently undertaken.
- (c). Other promotional activities - Our Company may also carry out other promotional activities, such as organising contests for our users, increasing its presence on social networks, disseminating e-mails and text messages and viral marketing techniques.

Further, our Company has entered into an agreement with Concept Communication Limited ("Concept") dated July 20, 2011 ("Media Agreement") for Concept's appointment as the media buying and releasing agency of our Company on a non exclusive basis. In terms of the Media Agreement, the scope of work of Concept will include planning and buying space in print media and buying advertising time. The Media Agreement is valid for a period of 36 months commencing from July 21, 2011 to July 20, 2014. Under the Media Agreement, Concept would be entitled to a fixed percentage of commission on the gross amount of sales/billing relating to the categories of media. Our estimates for advertising expenses are based on the quotation dated August 11, 2011 from Concept.

2. *Establishing new offices*

Our Company proposes to utilize ₹ 510.11 million from the Net Proceeds to fund the establishment of nine new

offices in Mumbai, Delhi, Bangalore, Chennai, Pune, Coimbatore, Jaipur and Chandigarh (“Identified Cities”). The new offices of our Company will be operated on premises which will be acquired on lease or through leave and license arrangements. As on the date of this Draft Red Herring Prospectus, our Company has not entered into any lease or leave and license arrangements for offices at any of the locations. Out of ₹ 510.11 million proposed to be utilized towards the establishment of new offices, ₹ 54.40 million will be utilized towards payment of security deposit in terms of the lease or leave and license agreements for the locations at which our new offices will be established. As of the date of this Draft Red Herring Prospectus, we have not identified the exact locations in the Identified Cities, where our new offices are proposed to be established.

The size of our new offices would vary between 3,000 sq. ft. and 16,000 sq. ft. of built-up area. The details of the Identified Cities in which the new offices are proposed to be established, the built-up area of each office, the expected schedule of commencement of operations of the new offices and the total estimated cost are set forth in the table below:

Sr. No	Identified City	Built up Area (sq. ft.)	Expected year for commencement of operations	Total Cost (₹ in million)
1.	Mumbai	10,000	Fiscal 2013	56.31
2.	Mumbai	16,000	Fiscal 2012	93.21
3.	Delhi	10,000	Fiscal 2013	56.57
4.	Bangalore	10,000	Fiscal 2014	56.46
5.	Chennai	10,000	Fiscal 2013	56.46
6.	Pune	6,000	Fiscal 2012	38.02
7.	Coimbatore	6,000	Fiscal 2013	38.02
8.	Jaipur	6,000	Fiscal 2014	38.02
9.	Chandigarh	3,000	Fiscal 2014	22.64
Total				455.71

The following tables set forth the breakdown of the estimated costs for setting up a new office at each of the Identified Cities. Unless otherwise specifically stated, these estimated costs mentioned in the tables below are exclusive of all applicable taxes:

1. Mumbai

(₹ in million)

Sr. No.	Particulars	Estimated cost for an office	
		Built-up Area 10,000 sq. ft.	Built-up Area 16,000 sq. ft.
1.	Civil and interior works ⁽¹⁾	26.80	42.56
2.	Equipments:		
	Computer systems ⁽²⁾	12.11	19.06
	Telecom switches ⁽³⁾	9.34	18.65
	Headsets ⁽⁴⁾	0.63	1.02
3.	Air conditioning ⁽⁵⁾	2.03	3.26
4.	Furniture ⁽⁶⁾	5.40	8.66
	Total	56.31	93.21

⁽¹⁾ Estimate based on the quotation dated August 1, 2011 from Image Enterprises.

⁽²⁾ Estimate based on the quotation dated August 1, 2011 from Resham Infotech.

⁽³⁾ Estimate based on the quotation dated July 29, 2011 from SR Consultants.

⁽⁴⁾ Estimate based on the quotation dated August 1, 2011 from Innova Telecom Private Limited.

⁽⁵⁾ Estimate based on the quotation dated August 1, 2011 from Swastik Aircon. The amount mentioned is inclusive of applicable taxes.

⁽⁶⁾ Estimate based on the quotation dated August 1, 2011 from Systa Works.

2. Delhi

(₹ in million)

Sr. No.	Particulars	Estimated cost for an office of built-up area 10,000 sq. ft.
1.	Civil and interior works ⁽¹⁾	26.80
2.	Equipments:	
	Computer systems ⁽²⁾	12.11
	Telecom switches ⁽³⁾	9.34
	Headsets ⁽⁴⁾	0.63
3.	Air conditioning ⁽⁵⁾	2.29
4.	Furniture ⁽⁶⁾	5.40
	Total	56.57

⁽¹⁾ Estimate based on the quotation dated August 1, 2011 from Image Enterprises.

⁽²⁾ Estimate based on the quotation dated August 1, 2011 from Resham Infotech.

⁽³⁾ Estimate based on the quotation dated July 29, 2011 from SR Consultants.

⁽⁴⁾ Estimate based on the quotation dated August 1, 2011 from Innova Telecom Private Limited.

⁽⁵⁾ Estimate based on the quotation dated August 1, 2011 from Swastik Aircon. The amount mentioned is inclusive of applicable taxes.

⁽⁶⁾ Estimate based on the quotation dated August 1, 2011 from Systa Works.

3. Bangalore

(₹ in million)

Sr. No.	Particulars	Estimated cost for an office of built-up area 10,000 sq. ft.
1.	Civil and interior works ⁽¹⁾	26.80
2.	Equipments:	
	Computer systems ⁽²⁾	12.11
	Telecom switches ⁽³⁾	9.34
	Headsets ⁽⁴⁾	0.63
3.	Air conditioning ⁽⁵⁾	2.18
4.	Furniture ⁽⁶⁾	5.40
	Total	56.46

⁽¹⁾ Estimate based on the quotation dated August 1, 2011 from Image Enterprises.

⁽²⁾ Estimate based on the quotation dated August 1, 2011 from Resham Infotech.

⁽³⁾ Estimate based on the quotation dated July 29, 2011 from SR Consultants.

⁽⁴⁾ Estimate based on the quotation dated August 1, 2011 from Innova Telecom Private Limited.

⁽⁵⁾ Estimate based on the quotation dated August 1, 2011 from Swastik Aircon. The amount mentioned is inclusive of applicable taxes.

⁽⁶⁾ Estimate based on the quotation dated August 1, 2011 from Systa Works.

4. Chennai

(₹ in million)

Sr. No.	Particulars	Estimated cost for an office of built-up area 10,000 sq. ft.
1.	Civil and interior works ⁽¹⁾	26.80
2.	Equipments:	
	Computer systems ⁽²⁾	12.11
	Telecom switches ⁽³⁾	9.34
	Headsets ⁽⁴⁾	0.63
3.	Air conditioning ⁽⁵⁾	2.18
4.	Furniture ⁽⁶⁾	5.40
	Total	56.46

⁽¹⁾ Estimate based on the quotation dated August 1, 2011 from Image Enterprises.

⁽²⁾ Estimate based on the quotation dated August 1, 2011 from Resham Infotech.

⁽³⁾ Estimate based on the quotation dated July 29, 2011 from SR Consultants.

- (4) Estimate based on the quotation dated August 1, 2011 from Innova Telecom Private Limited.
- (5) Estimate based on the quotation dated August 1, 2011 from Swastik Aircon. The amount mentioned is inclusive of applicable taxes.
- (6) Estimate based on the quotation dated August 1, 2011 from Systa Works.

5. Pune

(₹ in million)

Sr. No.	Particulars	Estimated cost for an office of built-up area 6,000 sq. ft.
1.	Civil and interior works ⁽¹⁾	16.13
2.	Equipments:	
	Computer systems ⁽²⁾	8.04
	Telecom switches ⁽³⁾	8.89
	Headsets ⁽⁴⁾	0.39
3.	Air conditioning ⁽⁵⁾	1.31
4.	Furniture ⁽⁶⁾	3.26
	Total	38.02

- (1) Estimate based on the quotation dated August 1, 2011 from Image Enterprises.
- (2) Estimate based on the quotation dated August 1, 2011 from Resham Infotech.
- (3) Estimate based on the quotation dated July 29, 2011 from SR Consultants.
- (4) Estimate based on the quotation dated August 1, 2011 from Innova Telecom Private Limited.
- (5) Estimate based on the quotation dated August 1, 2011 from Swastik Aircon. The amount mentioned is inclusive of applicable taxes.
- (6) Estimate based on the quotation dated August 1, 2011 from Systa Works.

6. Coimbatore

(₹ in million)

Sr. No.	Particulars	Estimated cost for an office of built-up area 6,000 sq. ft.
1.	Civil and interior works ⁽¹⁾	16.13
2.	Equipments:	
	Computer systems ⁽²⁾	8.04
	Telecom switches ⁽³⁾	8.89
	Headsets ⁽⁴⁾	0.39
3.	Air conditioning ⁽⁵⁾	1.31
4.	Furniture ⁽⁶⁾	3.26
	Total	38.02

- (1) Estimate based on the quotation dated August 1, 2011 from Image Enterprises.
- (2) Estimate based on the quotation dated August 1, 2011 from Resham Infotech.
- (3) Estimate based on the quotation dated July 29, 2011 from SR Consultants.
- (4) Estimate based on the quotation dated August 1, 2011 from Innova Telecom Private Limited.
- (5) Estimate based on the quotation dated August 1, 2011 from Swastik Aircon. The amount mentioned is inclusive of applicable taxes.
- (6) Estimate based on the quotation dated August 1, 2011 from Systa Works.

7. Jaipur

(₹ in million)

Sr. No.	Particulars	Estimated cost for an office of built-up area 6,000 sq. ft.
1.	Civil and interior works ⁽¹⁾	16.13
2.	Equipments:	
	Computer systems ⁽²⁾	8.04
	Telecom switches ⁽³⁾	8.89
	Headsets ⁽⁴⁾	0.39
3.	Air conditioning ⁽⁵⁾	1.31

Sr. No.	Particulars	Estimated cost for an office of built-up area 6,000 sq. ft.
4.	Furniture ⁽⁶⁾	3.26
	Total	38.02

(1) Estimate based on the quotation dated August 1, 2011 from Image Enterprises.

(2) Estimate based on the quotation dated August 1, 2011 from Resham Infotech.

(3) Estimate based on the quotation dated July 29, 2011 from SR Consultants.

(4) Estimate based on the quotation dated August 1, 2011 from Innova Telecom Private Limited.

(5) Estimate based on the quotation dated August 1, 2011 from Swastik Aircon. The amount mentioned is inclusive of applicable taxes.

(6) Estimate based on the quotation dated August 1, 2011 from Systa Works.

8. Chandigarh

(₹ in million)

Sr. No.	Particulars	Estimated cost for an office of built-up area 3,000 sq. ft.
1.	Civil and interior works ⁽¹⁾	8.58
2.	Equipments:	
	Computer systems ⁽²⁾	6.10
	Telecom switches ⁽³⁾	5.49
	Headsets ⁽⁴⁾	0.20
3.	Air conditioning ⁽⁵⁾	0.65
4.	Furniture ⁽⁶⁾	1.62
	Total	22.64

(1) Estimate based on the quotation dated August 1, 2011 from Image Enterprises.

(2) Estimate based on the quotation dated August 1, 2011 from Resham Infotech.

(3) Estimate based on the quotation dated August 1, 2011 from SR Consultants.

(4) Estimate based on the quotation dated August 1, 2011 from Innova Telecom Private Limited.

(5) Estimate based on the quotation dated August 1, 2011 from Swastik Aircon. The amount mentioned is inclusive of applicable taxes.

(6) Estimate based on the quotation dated August 1, 2011 from Systa Works.

3. Procurement and upgradation of computer hardware

To achieve our Company's strategy of enhancing user experience, increasing footprint across India and extending into new products and services, our Company intends to upgrade its existing hardware and procure new hardware.

In order to process more advanced software applications for providing enhanced user experience and handling increased volume of user traffic resulting from further expansion in India, the hardware currently utilised by our Company would need to be scaled up and upgraded. Furthermore, some of our existing hardware would need to be replaced on account of normal wear and tear and the availability of more advanced hardware, which would increase operational efficiency.

In view of the above, our Company intends to utilise ₹ 994.60 million for procurement and upgradation of computer hardware. The details of the hardware proposed to be procured by our Company are detailed in the following table:

Description of the Hardware	Purchase Quantity		Amount ⁽¹⁾ (₹ in million)				Details of the Quotation
	Fiscal 2012-2013	Fiscal 2014	Fiscal 2012	Fiscal 2013	Fiscal 2014	Total	
Blade server solution	1	1	227.50	318.22	448.90	994.62 ⁽²⁾	Please see note below

(1) Amounts in US\$, converted at the rate: 1 US\$ = ₹ 44.0485

(2) The cost estimated for fiscal 2014 is based on current estimates and is subject to change due to escalation, if any, in costs. Additional amount required, in the event of an increase in the cost for fiscal 2014, will be funded by our Company.

Note: (i) Quotation dated August 1, 2011 from Insight Business Machines Private Limited in relation to purchase during fiscal 2012-2013; and (ii) Quotation dated August 2, 2011 from Insight Business Machines Private Limited in relation to purchase during fiscal 2014.

4. General Corporate Purposes

The proceeds of the Fresh Issue will be first utilised towards the aforesaid items and the balance is proposed to be utilised for general corporate purposes in compliance with the necessary provisions of the Companies Act.

Means of Finance

The stated objects are proposed to be financed from the Net Proceeds and existing identifiable internal accruals. Consequently, our Company is in compliance with the SEBI Regulations for firm arrangement of finance through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised through the proposed Fresh Issue and existing identifiable internal accruals.

Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the proceeds of this Fresh Issue. However, depending on business requirements, our Company may consider raising bridge financing facilities, pending receipt of the Net Proceeds.

Interim use of Net Proceeds

Our Company, in accordance with the policies established by its Board, will have flexibility in deploying the Net Proceeds. Pending utilization for the purposes described above, our Company intends to temporarily invest the funds from the Fresh Issue in interest bearing liquid instruments including deposits with banks and investments in mutual funds and other financial products and investment grade interest bearing securities as may be approved by our Board.

Issue Expenses

The Issue related expenses consist of underwriting fees, selling commission, fees payable to the BRLMs, legal counsel, Bankers to the Issue including processing fee to the SCSBs for processing ASBA Bid cum Application Forms procured by the Syndicate Members and submitted to the SCSBs, Escrow Bankers and Registrars to the Issue, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges. Our Company intends to use approximately ₹ [●] towards these expenses for the Issue. Other than listing fees and non-statutory advertisement and marketing expenses, which will be paid by our Company, all expenses with respect to the Issue will be shared between the Selling Shareholder and our Company in proportion to the Equity Shares contributed to the Issue. The break-up for the Issue expenses is as follows:

Activity	Expense* (₹ in million)	Expense* (% of total expenses)	Expense* (% of the Issue size)
Book Running Lead Manager	[●]	[●]	[●]
Registrar to the Issue	[●]	[●]	[●]
Advisors	[●]	[●]	[●]
Bankers to the Issue	[●]	[●]	[●]
Underwriting commission, brokerage and selling commission	[●]	[●]	[●]
IPO Grading Expenses	[●]	[●]	[●]
Printing and Distribution	[●]	[●]	[●]

Activity	Expense* (₹ in million)	Expense* (% of total expenses)	Expense* (% of the Issue size)
Advertising and Marketing	[•]	[•]	[•]
Others, if any (specify)	[•]	[•]	[•]
Total estimated Issue expenses	[•]	[•]	[•]

** Will be completed after finalisation of the Issue Price.*

Monitoring of Utilization of Funds

The Board will monitor the utilization of the Net Proceeds. Our Company will disclose the utilization of the Net Proceeds under a separate head along with details, for all such Net Proceeds that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in our balance sheet for the relevant fiscals subsequent to the Issue.

Pursuant to Clause 49 of the Listing Agreement, our Company shall on a quarterly basis disclose to the Audit Committee, the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement will be certified by our statutory auditors.

Our Company shall, in terms of Clause 43A of the Listing Agreement, be required to inform material deviations in the utilisation of Net Proceeds to the Stock Exchanges and shall also be required to simultaneously make the material deviations / adverse comments of the Audit Committee / monitoring agency public through advertisements in newspapers.

No part of the Net Proceeds will be paid by us as consideration to the Promoter, the Directors, key management personnel or other management personnel or Group Companies of our Company, except in the normal course of business and in compliance with applicable law.

BASIS FOR ISSUE PRICE

The Issue 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 Issue 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 116, 14 and 166 to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors which form the basis for computing the Issue 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
- 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 116 and 14 respectively.

Quantitative Factors

On May 31, 2011 our Company allotted 968,060 Preference Shares Series C to EGCS and SAPV and these Preference Shares Series C will be converted into Equity Shares prior to filing of the Red Herring Prospectus with the RoC. Further, our Company allotted 2,800 Equity Shares on May 31, 2011 under the ESOP 2011 scheme. All the financial ratios are calculated based on outstanding Equity Shares after considering the conversion of all the outstanding preference shares into equity shares and the equity shares allotted as per the ESOP scheme.

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

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

Earnings Per Share (“EPS”)

As per our restated standalone summary statements

Financial Period	Basic EPS (₹)	Diluted EPS (₹)	Weight
Year ended March 31, 2009	0.47	0.47	1
Year ended March 31, 2010	2.93	2.93	2
Year ended March 31, 2011	4.75	4.58	3
Weighted Average	3.43	3.35	

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

As per our restated consolidated summary statements

Financial Period	Basic EPS (₹)	Diluted EPS (₹)	Weight
Year ended March 31, 2009	0.35	0.35	1
Year ended March 31, 2010	2.74	2.74	2
Year ended March 31, 2011	4.71	4.56	3
Weighted Average	3.33	3.25	

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

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 Standalone EPS for Fiscal 2011	[●]	[●]
Based on Standalone 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 2011	[●]	[●]
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.

Return on Net Worth (RoNW)* as per restated standalone financial statements

As per restated standalone summary statements

Particulars	RONW %	Weight
Year ended March 31, 2009	16.84	1
Year ended March 31, 2010	29.51	2
Year ended March 31, 2011	30.27	3
Weighted Average	27.78	

As per restated consolidated summary statements

Particulars	RONW %	Weight
Year ended March 31, 2009	15.90	1
Year ended March 31, 2010	29.05	2
Year ended March 31, 2011	30.78	3
Weighted Average	27.72	

* For details of RONW computation, please refer to Annexure XIV (Restated unconsolidated statement of Accounting Ratios) and Annexure XIV (Restated consolidated statement of Accounting Ratios) in the section "Financial Statements" on pages 211 and 260.

Minimum Return on Increased Net Worth required for maintaining pre-issue EPS as at March 31, 2011 is [●].

Net Asset Value ("NAV") Per Equity Share after considering the increased share capital*

Net Asset Value per Equity Share as of March 31, 2011 is ₹ 18.34* on a standalone basis

Net Asset Value per Equity Share as of March 31, 2011 is ₹ 17.91* on a consolidated basis

After the Issue: [●]

Issue Price: ₹ [●][#]

** Net Asset Value per Equity Share calculated as defined in Annexure XIV (Restated unconsolidated statement of Accounting Ratios) and Annexure XIV (Restated consolidated statement of Accounting Ratios) in the section “Financial Statements” on pages 211 and 260.*
Issue 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.

Since the Issue is being made through the 100% Book Building Process, the Issue Price will be determined on the basis of investor demand.

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

The Issue 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 14 and the financials of our Company including important profitability and return ratios, as set out in the section “Financial Statements” on page 166 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 14 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

August 9, 2011

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 Direct Tax Code (which consolidates the prevalent direct tax laws) is proposed to come into effect from April 1, 2012. The Government has invited comments / recommendations from various stakeholders on the proposed draft and hence, at the moment, it is unclear what the 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 and 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
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 2011-12.

A. 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 for any assessment year to the extent of difference between the tax payable as per the normal provisions of the Act and the tax paid under Section 115JB 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 ₹ 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 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 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 ₹ 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.

(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) 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 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. Credit in respect of dividend distribution tax paid by a subsidiary of the Company could be available while determining dividend distribution tax payable by the Company as per provisions of Section 115-O (1A) of the Act, subject to fulfillment of prescribed conditions.
- ▶ 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 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.

B. 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 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 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.
- ▶ 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 ₹ 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 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 ₹ 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 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'.

C. 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.
 - ▶ As per first proviso to Section 48 of the Act, the capital gains arising on transfer of shares of an Indian Company 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. Further, the benefit of indexation as provided in second proviso to Section 48 is not available to non-resident shareholders.
 - ▶ 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 ₹ 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 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 ₹ 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 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'.

(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 or the Act, whichever is more beneficial.

(d) Non-resident taxation

- ▶ 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).
- ▶ 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.
- ▶ 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.

D. 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 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) 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.
- ▶ 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 ₹ 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 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.

(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.
- ▶ 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.

E. 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.

F. 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.

G. 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 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 2011; the Telecom Regulatory Authority of India ("TRAI"); and Netscribes (India) Pvt. Ltd. ("Netscribes"), Reports "Local Search Market in India 2011," June 2011, "Online and Offline Classifieds in India 2011," June 2011 and "Online Advertising Market in India 2011," June 2011 (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.

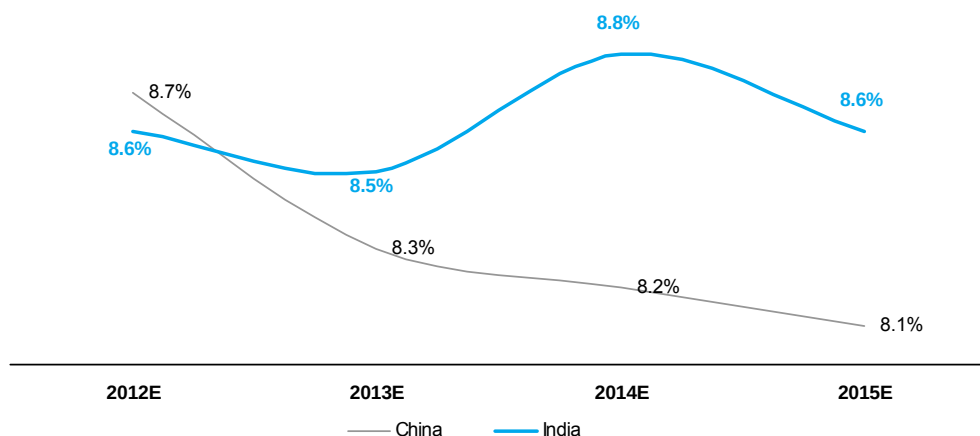
The Indian Opportunity

India is one of the world's most populous countries with an estimated population of approximately 1.19 billion as of July 2011, 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 Report 2009-2010 and 2010-2011, in fiscal 2011, the growth rate for India's gross domestic product ("GDP") is estimated to have been 8.6%, and in fiscal 2010 and 2009, GDP growth was 8.0% and 6.7%, respectively. According to the CIA Factbook, India's GDP, on a purchasing power parity basis was estimated to be approximately \$4.06 trillion in 2010, making it the fifth largest economy in the world after the European Union, the United States, China and Japan. 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 7.0% 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.

Economic growth is expected to continue into the immediate future with the EIU estimating India's real GDP growth at 8.6% in fiscal year 2012. The estimates suggest that India's Real GDP growth rate will overtake that of China in fiscal 2013.

Real GDP Growth Rate



Source: EIU

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 eleven times from 50 million people in the year 2005 to 583 million people by 2025. With a growing population, the creation of a large middle class and rising incomes, McKinsey & Company expects the average household percentage of spending on discretionary items to rise and the expected percentage of spending on discretionary items is set to grow from approximately 54% as of 2005 to approximately 72% 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 others, the following: income levels are expected to almost triple, with annual real income growth per household expected to accelerate from 3.6% over the last two decades to 5.3% 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, favourable demographics, rising income levels, dramatic shift to income pyramid, increasing consumption and increased discretionary spending, including rapid growth in communications spending.

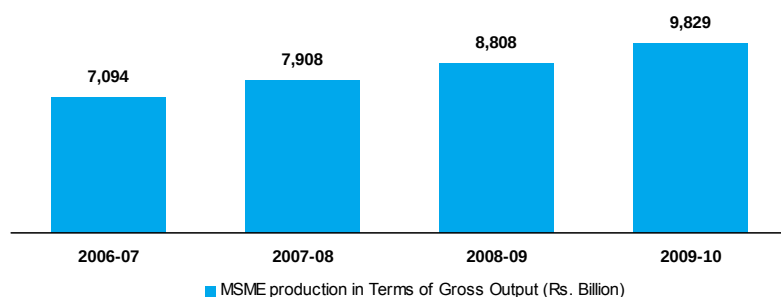
Small and Medium Enterprises (SMEs) in India

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 59 million people in over 26 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 2011, MSME's production in terms of gross output has been growing steadily from ₹ 7,094 billion in 2006 - 2007 to ₹ 9,829 billion in 2009 - 2010, representing a CAGR of 11.5%.

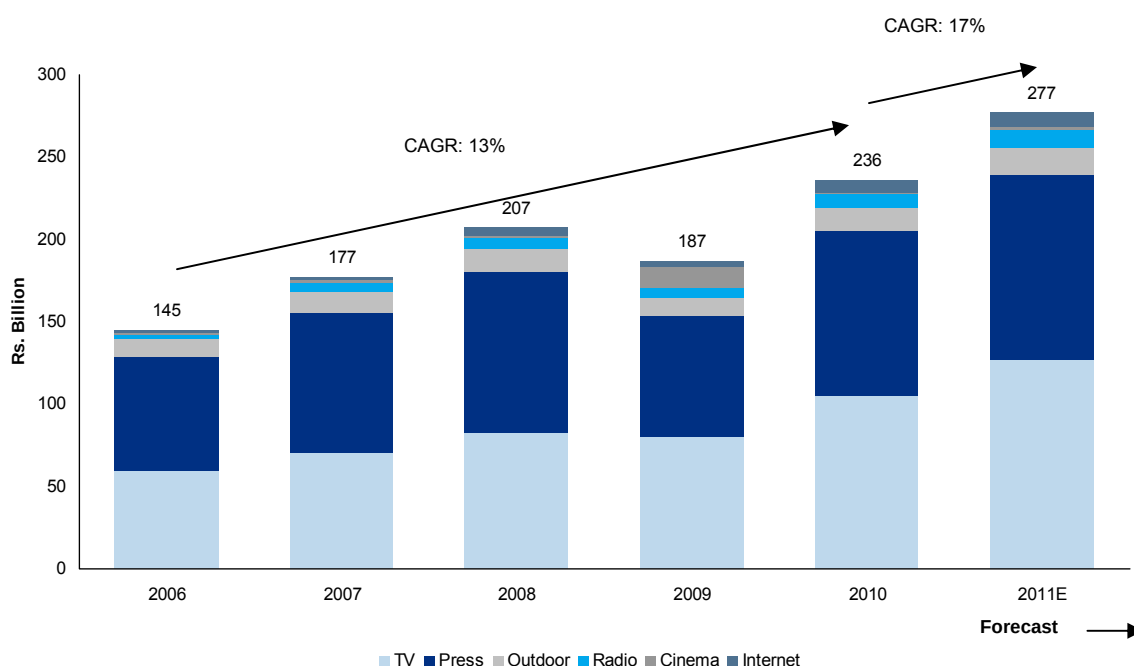


Source: Ministry of MSME Annual Report 2011

The Indian Advertising Market

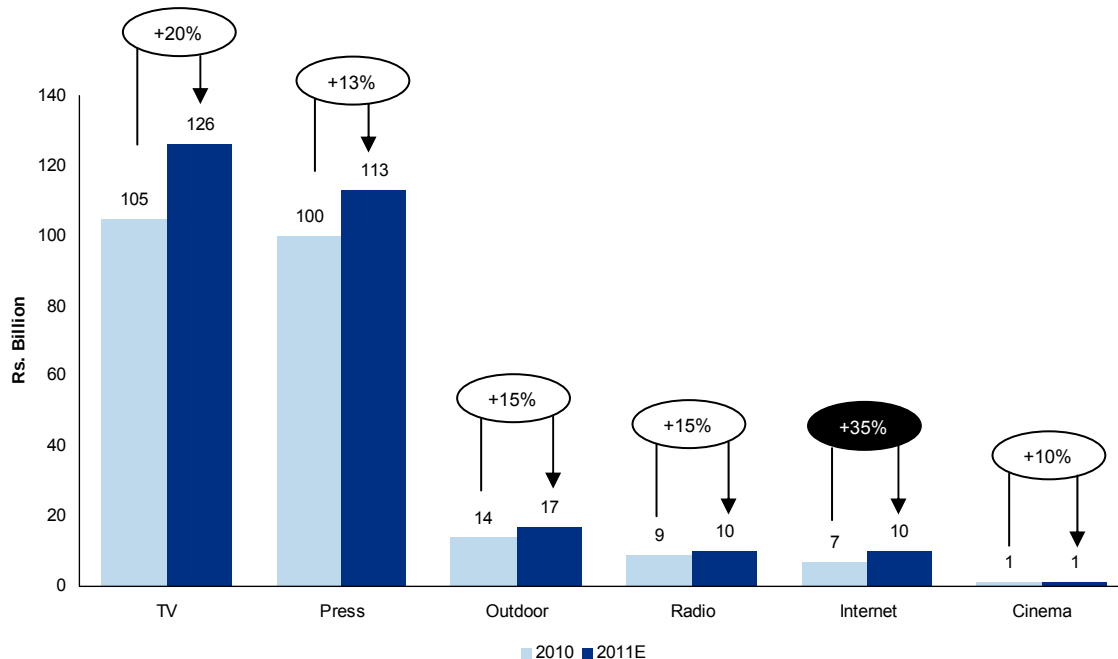
According to the Netscribes' Report: "Online Advertising Market in India 2011", the Indian advertising market generated approximately ₹ 236 billion in 2010 and is expected to grow to ₹ 277 billion by 2011, a growth rate of 17.4%. Currently advertising through television represents the largest segment of the Indian advertising market with a 44.5% share of the overall market, following by print advertising with a 42.4% share of the overall market. Outdoor advertising comprises about 5.9% of the market, radio advertising about 3.8% and internet about 3.0%. 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 35% between 2010 and 2011.

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 in India 2011*".

Among the various means of advertising, internet advertising is expected to exhibit the fastest growth of 35% between 2010 and 2011. 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 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 in India 2011*".

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.

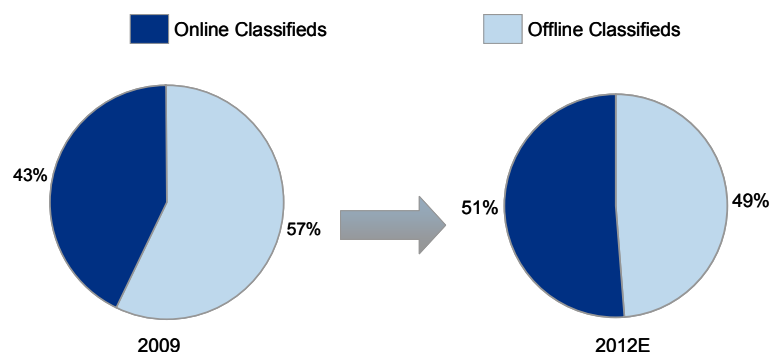
The other players in the local search services market include Justdial, AskLaila, Burrp, Getit, Informedia18, Metromela, Onyomo, Sulekha and Timescity. Many of these players provide both offline and online local search services.

Local offline and online classifieds

All information in this section is derived from the Netscribes' Report: "*Online and Offline Classifieds in India 2011*".

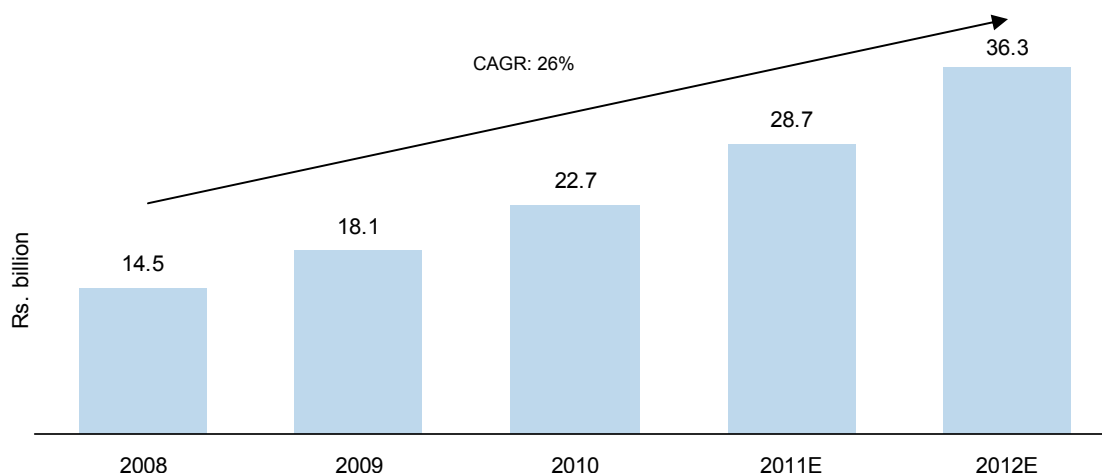
According to Netscribes, classifieds is a distinct type of advertising medium with both offline and online modes that usually comprises text with no graphics and short statements about the requirements of the buyer or the seller. It is increasingly become a popular mode of advertising. In 2009, the market segment for offline and online classifieds was 57% and 43%, respectively. With growing internet usage, the online classifieds segment is growing rapidly. It is estimated that the market segment will become 49% and 51%, respectively, by 2012.

Classifieds Market Segmentation



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 ₹ 14.5 billion in 2008 is expected to reach ₹ 36.3 billion in 2012.

Classifieds Market Size and Growth



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 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 has grown from ₹ 1.6 billion in 2006 to ₹ 7.8 billion in 2010 and is expected to increase to ₹ 9.9 billion in 2011. 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.

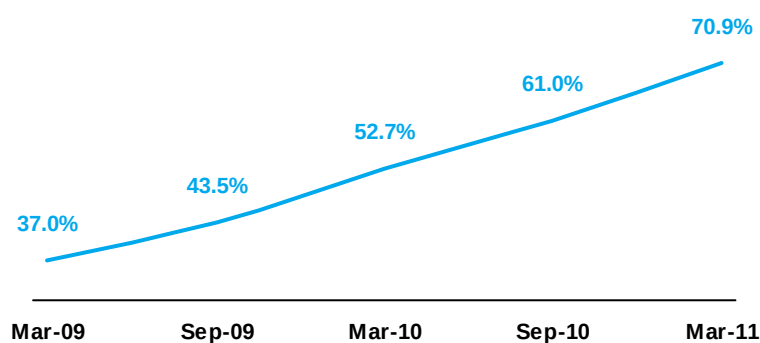
Offline classifieds face challenges such as the lesser space for advertisements, especially display advertisements, becoming a major bottleneck as it restricts the scope of advertisement exposure, unlike online classifieds which offers various advertising forms, such as listings, banners, featured advertisements, 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 number of wireless subscribers in India was 811.6 million as of 31 March 2011, with a overall teledensity rate of 68.0%. The number has grown at a CAGR of 43.9% from 391.8 million in March 2009. The number of mobile subscribers in India is expected to exceed 1 billion by 2014.

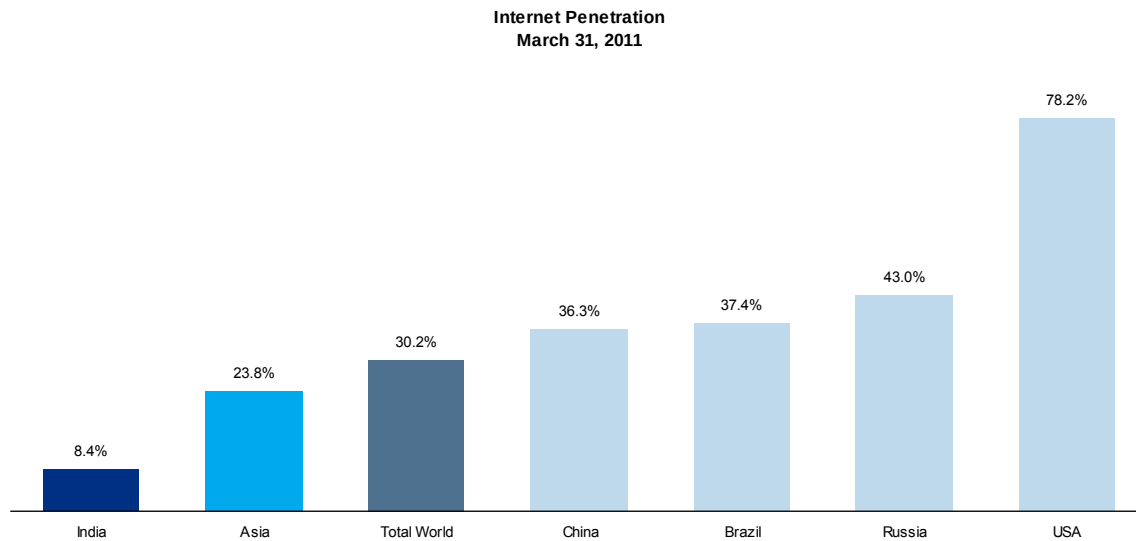
Overall (Wireless and Wireline) Teledensity in India



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 March 31, 2011, Internet penetration was at 8.4% (or approximately 100 million users) in India, making India the world's third largest population of internet users after China and the United States, as compared to over 78.2% in the United States. Below table shows the Internet penetration as of March 31, 2011 for various countries and regions:



Source: Internet World Stats

OUR BUSINESS

OVERVIEW

We are a leading local search engine 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, such as the Internet, mobile Internet, over the telephone (voice) and text (SMS). In fiscal 2011, we addressed over 180 million search queries from millions of users across platforms. As of June 30, 2011, we were conducting approximately 139,500 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, we believe that we have been able to attain significant mind-share with users for their local search needs.

India’s middle class, generally comprising people with annual income range of ₹ 200,000 to ₹ 1,000,000, is expected to grow by over 11 times from approximately 50 million people in 2005 to approximately 583 million people by 2025, according to a report by McKinsey & Company. According to Internet World Stats, as of March 31, 2011, Internet penetration was at 8.4% (or approximately 100 million users) in India, making India the world’s third largest population of internet users after China and the United States, as compared to over 78.2% in 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 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 120,200 as of March 31, 2011.

We have a large database of approximately 6.0 million listings as of June 30, 2011. 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 income increased from ₹ 502.4 million in fiscal 2007 to ₹ 1,899.1 million in fiscal 2011, representing a CAGR of 39.4%. Our consolidated total income increased in fiscal 2011 by 40.9% over fiscal 2010. Our consolidated restated profits after tax increased from ₹ 16.4 million in fiscal 2007 to ₹ 286.2 million in fiscal 2011, representing a CAGR of 104.3%. Our consolidated restated profits after tax increased in fiscal 2011 by 55.3% over fiscal 2010. We discontinued our print business in fiscal 2011. Excluding the impact of the print business in both fiscal 2011 and 2010, our consolidated total income increased in fiscal 2011 by 58.4% over fiscal 2010.

OUR COMPETITIVE STRENGTHS

We believe that our development into a leading Indian local search engine is primarily 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 leading position in the local search market. 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 more than 180 million searches of our database that were conducted in fiscal 2011 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 120,200 campaigns we conducted as on March 31, 2011, were conducted on behalf of paid advertisers, majority being SMEs. As of June 30, 2011, we had compiled a database consisting of approximately 6.0 million business listings across various cities and towns in India, as compared to 4.5 million business listings as of March 31, 2010.

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 over 15 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 and the experience and expertise of our management and first hand experience with various market participants (including SMEs and users) 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 the most popular types of communication media, i.e. through the Internet, mobile Internet, voice or 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 our 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 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 June 30, 2011 approximately 2.7 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 ratings and reviews from their friends for various business listings, effectively creating a social network to share users’ experience.

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 220 servers for our various intranet and extranet applications. These applications can be accessed by thousands of our IROs from eight centers 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 such 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 paid advertisers. In addition, as a result, we had outstanding receivables of only ₹ 10.99 million from our paid advertisers as of March 31, 2011 while our consolidated restated profit after tax was ₹ 286.2 million from a consolidated total income of ₹ 1,899.1 million in fiscal 2011.

Negligible 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 March 31, 2011, we had total debt of only ₹ 3.16 million, 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 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 to capture and relay other relevant information to our users, such as user ratings and reviews.

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 6.0 million listings across various cities and towns in India as of June 30, 2011, 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 to increase user traffic. Among other things, we plan to add new premises and leverage our reseller program to achieve the foregoing. See the section titled "Objects of the Issue" for details of the new offices planned by us.

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 Mr. Amitabh Bachchan, a well know 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.

Extend Into New Products and Services

We believe that our Justdial 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 such as the following:

Daily Deals. We plan to leverage our user base and our relationship with SMEs and offer a “daily deals” section on our website which will provide users with special promotions on various products and services.

Targeted marketing campaigns. We believe that our database and user data can be used for creating marketing data concerning consumer preferences and SMEs, which is otherwise difficult to ascertain in the fragmented Indian SME sector. With the consent of our users, we plan to facilitate targeted marketing campaigns for businesses, including those selling branded products (for example, branded cars) as well those selling mass products (for example real estate companies providing low cost housing) reach their targeted users segment.

Structured Data for Businesses. We believe that various businesses require quality and structured data on various other businesses, products and services. We intend to use data analytics to leverage the existing database and provide us with information that will enable us to provide structured data to such businesses.

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” name and selling our rights and offering service arrangements to other parties to conduct these operations as we are doing with the U.S. and Canada. See “Business – Divestment and Demerger”.

OUR BUSINESS

Just Dial is a source of information on various businesses, products and services to millions of users which makes us a leading local search engine 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”). Our database contained approximately 6.0 million business listings across various cities and towns in India as of June 30, 2011, through which we generated approximately 139,500 campaigns as of June 30, 2011. 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 fiscal 2011, we had consolidated restated profit after tax as a percentage of our consolidated total income of 15.1%. 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 139,500 campaigns as on June 30, 2011, these campaigns were conducted by a relatively smaller number of paid advertisers compared to the approximately 6.0 million business listings in our database as on June 30, 2011. 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, or GoI, there were an estimated 26.0 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, as of March 31, 2011, Internet penetration was at 8.4% (or approximately 100 million users) in India, making India the world's third largest population of internet users after China and the United States, as compared to over 78.2% in 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 Services 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

In fiscal 2011, we received approximately 180.7 million search requests from the users of our search services, compared to approximately 133.2 million search requests in fiscal 2010. The 180.7 million search requests in fiscal 2011 were comprised of 77.2 million Internet searches (i.e. number of visits to our website) (reflecting a CAGR of 99% over the past three fiscal years), 9.6 million mobile Internet searches (reflecting a CAGR of 215% over the past three fiscal years), 93.9 million voice searches (i.e. number of search queries over phone received by us from users) (reflecting a CAGR of 36% over the past three fiscal years) and a very small number of 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. 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 June 30, 2011, users had provided over 2.7 million ratings to our database.

We believe that through our multiple platforms, we provide users the option to search using the medium that is convenient to them at that 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 recently added content collections which provide users with information on popular activities and subjects, such as movies, restaurants and hotels. We have also introduced a "Best Deals" service which 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 70.0% of all searches over phone over the last three fiscal years.

Our Advertisers

Our income 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 and approximately 120,200 campaigns as of March 31, 2011, representing a growth of approximately 51% from 2009 to 2010, and approximately 95% from 2010 to 2011.

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 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 June 30, 2011, our premium memberships represented approximately 16% 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 June 30, 2011, our non-premium memberships represented approximately 84% of our total memberships. Prior to June 1, 2011, we offered Lead Listing advertisement package. We have stopped offering that package from June 1, 2011.

Search Media

During the three months ended June 30, 2011, we serviced 26.0 million online searches, 3.9 million mobile Internet searches, 27.4 million voice searches and approximately 62,900 SMS searches. During fiscal 2011, we serviced 77.2 million online searches, 9.6 million mobile Internet searches, 93.9 million voice searches and approximately 19,800 SMS searches. We have witnessed rapid growth in usage across all our communications media, representing an increase of approximately 99%, 215% and 36% over the past three fiscal years, for online searches, mobile Internet searches and voice 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>, 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 +91-88888-88888. 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 +91-88888-88888.

Internet

In fiscal 2011 and fiscal 2010, approximately 42.7% and 42.8%, respectively, of the total number of searches 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 and 77.2 million visits in fiscal 2011, representing a CAGR of 99% over the period from fiscal 2008 to fiscal 2011.

As of June 30, 2011, we have an information technology and technical support team comprising of 214 employees who are focused on maintaining and upgrading our website and managing the software used internally by us. We have been ranked as the 40th most visited website (in terms of unique visitors) in India during June 2011 by comScore, Inc., a marketing research company that provides marketing data and services on Internet businesses.

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. Ratings and reviews 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 have enhanced our search results to permit popular or high profile search categories from time to time. Examples of categories where we offer enhanced search results include movies, restaurants, hotels and lifestyle.
- *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. Users can also view the search results based on the reviews and ratings received. As of June 30, 2011 approximately 2.7 million reviews and ratings were published on our website, as compared to 79,308 reviews and ratings published as of March 31, 2010.

We also 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 friends and acquaintances to recommend listings for them across our website. When users access our website, 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.

- *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.
- *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 June 30, 2011, we have 370,633 'fans' on Facebook and 4,917 followers on Twitter.

Mobile Internet

In fiscal 2011 and fiscal 2010, we received approximately 9.6 million and 4.7 million mobile Internet searches, representing approximately 5.3% and 3.5% of our total searches, respectively.

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> 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 are also in the process of developing mobile applications for Android, iPhone and Blackberry. Our mobile platform permits location-based search service that provides details of businesses in and around the user's location. In addition, our "predictive auto-suggest" feature is available on most versions of our mobile website. The mobile platforms also include 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 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 +91-88888-88888 which is available from across India, or through eight local numbers available in certain cities.

In fiscal 2011, approximately 52.0% of our users' search requests were received through our voice service, which has grown significantly in the past five years. We received approximately 52.1 million voice searches in fiscal 2009, 71.5 million voice searches in fiscal 2010 and 93.9 million voice searches in fiscal 2011, representing a growth of 37.1% and 31.4%, respectively. We have witnessed a CAGR of 36% in total voice searches over the last four fiscal years. Of the total voice searches in fiscal 2011, approximately 70% were for Company Searches and 30% for Category Searches, which is consistent with fiscal 2010.

As of March 31, 2011, we had eight in-house call centers located in Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad, Kolkata, Mumbai, Pune and employed 1,452 IROs. Each of our call centers 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 three 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 +91-88888-88888 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, wherein, the charges for the SMS containing the search queries are borne by the users, while the charges for the SMS containing search results are borne by us at minimal cost.

Our Database

We maintain, develop and regularly update our database of information on businesses, the core of which are SMEs, in India. As of June 30, 2011, our database had approximately 6.0 million business listings from various cities and towns in India.

Our business is highly dependent on a reliable and extensive database of business listings. We have a dedicated database team of approximately 250 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 by completing an online form with their details. 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 center 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 June 30, 2011, we had 2,414 marketing executives, including 1,879 tele-sales executives who market our products and services via telephone and Internet, and 535 "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 viral marketing and online display banners, and have presence in social media, such as Facebook and Twitter.

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 June 30, 2011, we have a dedicated team of 130 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.

As part of our business continuity plan, our systems infrastructure and 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.

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 220 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.

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.

We were the winner of the IDC Enterprise Innovation Award in 2010 for achieving excellence in information technology innovation, application and business excellence, to build a sustainable, competitive advantage and the Red Hat JBoss Innovation Award 2010 awarded for “carved out costs” that is awarded to companies who have leveraged open source solutions to significantly cut costs and extract added value from existing systems. In 2010, we became the first Indian company to be recognized as the Red Hat Innovator of the Year 2010 by popular choice.

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 centers as well as at all our offices are also secured with firewalls to prevent hacking.

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 Draft Red Herring Prospectus has not been registered by us and we have filed an application for the registration of such logo. 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 290 for further details.

We have also made an application for the registration of the “Just Dial” trademark in the U.S. which is currently pending. We have a licensing agreement with Just Dial Inc., to permit it to use of our “Just Dial” brand in the U.S. and Canada. See “History and Corporate Matters – Summary of Key Agreements – Trademark license agreement dated August 10, 2011 between JD USA and our Company” on page 140 for further details.

Divestment of JD USA

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. JD Global paid an aggregate amount of ₹ 22.03 million to us as consideration. We are required to notify the sale of JD USA to the RBI under FEMA regulations through our authorized dealer in India. In its notification letter to the RBI, our authorised dealer has stated that the sale of JD USA by us was done pending the regularizing of other prior transactions involving certain contraventions by us of FEMA Regulations. For details of such contraventions, see “Risk Factors - We have received a letter dated July 27, 2011 from the RBI alleging contravention of certain regulations under FEMA, which pertain to the remittance of funds by our Company to JD USA” on page 20.

For fiscal 2011, JD USA had total assets of ₹ 36.34 million and total revenue of ₹ 23.28 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 no longer a subsidiary of our Company, we will not consolidate JD USA. Accordingly, our consolidated financial statements for fiscal 2011 may not be fully comparable to our financial statements for fiscal 2012.

For further details, see “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 pages 142 and 140, respectively.

Scheme of Demerger

On April 15, 2011, our Board approved a scheme of arrangement that provides for the demerger of activities and operations pertaining to IT-related testing and other related services of our Company, comprising all related assets, liabilities, employees, rights and powers, and including all investments made by our Company in the shares of JD Global (the “Demerged Undertaking”) from our Company and transferring those to JD Global with effect from July 1, 2011 or such other date as may be fixed by the High Court of Bombay. As consideration for the transfer of Demerged Undertaking, JD Global will issue and allot its shares to our shareholders who were holding our equity or preference shares as on July 1, 2011. Our Company proposes to apply to the High Court of Bombay to change the date from which the Scheme is to take effect, i.e., from July 1, 2011 to August 1, 2011 and other consequential changes, if any.

Upon the Scheme becoming effective, our aggregate investment in JD Global of ₹ 724.76 million will be written down and the preference shares held by us in JD Global will be cancelled. In addition, approximately ₹ 0.40 million will be written down on account of the book value of assets and liabilities of the Demerged Undertaking. The difference between the value of the assets (including the preference shares held by us in JD Global which will be cancelled pursuant to the Scheme) and the liabilities will be first adjusted against our securities premium account, to the extent available, followed by the general reserve account, and the balance, if any, against the profit and loss account. To the extent that the amount is required to be adjusted against the securities premium account, the Scheme proposes a reduction of capital of our Company in accordance with the provisions of the Companies Act. Accordingly, if the Scheme becomes effective, our capital, securities premium account, general reserve account, the profit and loss account and net worth and book value per equity share of our Company may be substantially reduced. See Risk Factors - We are currently in the process of transferring our activities and operations pertaining to IT related testing and other related services to JD Global, which requires court approval and which may result in a reduction in our capital and profit and loss account” on page 17.

See “History and Certain Corporate Matters— Scheme of Arrangement between our Company, Just Dial Global Private Limited and their respective shareholders and creditors” on page 138 for more details.

Employees

We are focused on the recruitment, training and retention of our employees. As of June 30, 2011, we had 5,333 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 past four fiscal years.

	Number of employees as of March 31,			
	2008	2009	2010	2011
Total	2,914	3,058	3,763	4,868

None of our employees are represented by a labor union and we have not experienced any work stoppages, as of the date of this DRHP. 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, 2011, 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, Mr. V.S.S. Mani and Ms. Anita Mani. The license expires on March 14, 2012. In addition, we have 15 offices across India (including five in Mumbai and one each in Ahmedabad, Bengaluru, Chandigarh, Chennai, Coimbatore, Delhi, Hyderabad, Jaipur, Kolkata and Pune), which has been occupied by us on leave and license arrangements. 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”) has been framed by the DoT and aims at creating an enabling framework for developing the telecommunications industry. The NTP allows 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 covered under the NTP and 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 envisages 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. Certain provisions of the Unsolicited Communications Regulations will, however, continue to remain in force

including provisions pertaining to reporting requirements and complaints. 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, and impose penalties on access providers for any violations. 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. Registration of telemarketers under the Customer Preference Regulations has commenced from January 15, 2011 and the facility for registration of customer preference has commenced from February 10, 2011. The other operational provisions of the Customer Preference Regulations, including provisions pertaining to blacklisting of telemarketers and setting up of customer complaint registration facilities, will come into force from such date as may be notified by 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.

Recently, 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, handling, disclosure 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 host, publish, transmit or share 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 nd floor, Preet Vihar, New Delhi 110 092
August 30, 2004	From C-57, 2 nd 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 th 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 carried out as well as business proposed to be carried out and the activities proposed to be undertaken pursuant to the Objects of the Issue.

Amendments to the Memorandum of Association

Date of shareholders' resolution	Nature of Amendment
September 2, 1996*	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.
September 2, 2002	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
August 6, 2003	Change of registered office of our Company from NCT of Delhi to State of Maharashtra.
March 30, 2004	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
August 19, 2005	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
March 27, 2006	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
May 5, 2006	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
October 9, 2006	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
February 26, 2007	The objects clause III (A) of the Memorandum of Association was altered by inserting the following clause immediately after subclause 6: <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	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
May 9, 2011	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

* *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:

Year	Event
1993	Incorporation of our Company as A&M Communications Private Limited
1996	Commencement of our Company's search business operations in Mumbai with 8888-8888 telephone number
2000	Secondary sale of 50% stake by our Promoters to Indiainfo.com Private Limited
2006	Investment of ₹ 546,947,470 by SAIF
2006	Change in name of our Company from A&M Communications Private Limited to Just Dial Private Limited
2007	Launch of our Company's website http://www.justdial.com
2007	Investment of ₹ 40,140,750 by Tiger Global Four Holdings and Tiger Global Principals Limited and second round of investment of ₹ 8,283,839.58 by SAIF
2007	Launch of our search service through SMS and mobile internet
2009	Our website receives 25 million visits in a year for the first time
2011	Investment of ₹ 166,932,666 by SAPV and ₹ 166,932,666 by EGCS

Scheme of Amalgamation between our Company and RRR Computech (India) Private Limited

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 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”). The Scheme of Arrangement provided for payment of ₹ 5.25 million 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 provides for the demerger of activities and operations pertaining to IT-related testing and other related services of our Company, comprising all related assets, liabilities, employees, rights and powers, including all investments made by our Company in the shares, if any, of JD Global (the “Demerged Undertaking”) from our Company and transfer and vesting thereof to JD Global with effect from July 1, 2011 or such other date as may be fixed or approved by the High Court of Bombay (the “Appointed Date”). Our Company is proposing to file an application with the High Court of Bombay for amendment of the Scheme to change the date from which Scheme will take effect, to August 1, 2011, from July 1, 2011 and for other consequential changes, if any. Pursuant to the Scheme becoming effective, all our investments in JD Global including the preference shares held therein by our Company shall stand cancelled. Our Company currently does not hold any equity shares in JD Global and only holds an aggregate of 611,758 optionally convertible non-cumulative preference shares, which shall stand cancelled on the Scheme becoming effective. Our Company has filed the Scheme with the High Court of Bombay on May 11, 2011. The High Court of Bombay by an order dated June 24, 2011 has dispensed holding meetings of the shareholders and creditors of our Company and the procedure prescribed under Section 101(2) of the Companies Act. The Scheme is, however, yet to be sanctioned by the High Court of Bombay. The Scheme will become effective on the date on which the order of the High Court of Bombay, sanctioning the Scheme is filed with the RoC (the “Effective Date”).

As consideration for the transfer of Demerged Undertaking under the Scheme, JD Global will issue and allot equity or preference shares to the shareholders of our Company who were holding equity or preference shares, as the case may be, in our Company as on July 1, 2011 (the “Specified Shareholders”). Our Company does not hold any equity shares of JD Global. For every optionally convertible preference share held by our Company in JD Global on the date immediately preceding the Effective Date, JD Global shall issue one compulsorily convertible preference share and/ or such number of equity shares which our Company would have been entitled to upon conversion of the optionally convertible preference shares held by it which shall be allotted to the Specified Shareholders in proportion to their shareholding, on a fully converted basis, in our Company as on August 1, 2011.

On the Scheme becoming effective, our Company will deduct the book values of the assets and liabilities pertaining to the Demerged Undertaking from the assets and liabilities in its books of account. The difference between the value of the assets (including the preference shares held in JD Global which will be cancelled pursuant to the Scheme) and the liabilities will be first adjusted against our Company’s securities premium account, to the extent available, followed by the general reserve account and balance, if any, against the profit and loss account. To the extent that the amount is required to be adjusted against the securities premium account, the Scheme proposes a reduction of capital of our Company in accordance with the provisions of the Companies Act. Our shareholders have passed a resolution dated July 22, 2011 for the reduction of capital pursuant to, and subject to, the Scheme becoming effective.

As of March 31, 2011, our Company’s investment in JD Global was ₹ 144.76 million. An additional investment of ₹ 580 million has been made by our Company in JD Global on June 1, 2011 pursuant where to our Company was allotted 305,263 optionally convertible preference shares of JD Global on July 4, 2011. The aggregate amount of our

investments in JD Global of ₹ 724.76 million will be written down in our financial statements in the manner stated above. Additionally, approximately ₹ 0.40 million will be written down in our financial statements on account of the book value of assets and liabilities of the Demerged Undertaking. As a result of these adjustments, the consolidated net worth and the book value per Equity Share of our Company will be substantially reduced compared to the consolidated net worth and book value per Equity Share of our Company as at March 31, 2011.

The Scheme further provides that on its becoming effective:

- (a) our Company shall be substituted by JD Global in all contracts and legal proceedings pertaining to the Demerged Undertaking;
- (b) our Company shall transfer 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 becoming the employees of JD Global.

Summary of key agreements

1. *Subscription Agreement dated October 3, 2006 between SAIF and our Company*

Our Company has entered into a share subscription agreement with SAIF on October 3, 2006 (“SAIF SSA”). Pursuant to the SAIF SSA, our Company has 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 has 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 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 has been terminated and replaced by an amended and restated shareholders’ agreement dated May 23, 2011.

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 entered into a subscription agreement with SAIF, Tiger Global Four Holdings, Tiger Global Principals Limited (“Investors”) and V.S.S. Mani on 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 Share 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 has 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 has been terminated and replaced by an amended and restated shareholders’ agreement dated May 23, 2011.

Our Company also entered into a stock purchase agreement dated April 19, 2007 with Tiger Global Four Holdings, Tiger Global Principals Limited, Clearmist Limited and Vemuri Sneha Prabha and V.S.S. Mani 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 5,683 Equity Shares for USD 656,116.60 to Tiger Global Principals Limited.

3. *Share purchase agreement dated June 16, 2009 between Sequoia, Tiger Global Five Holdings, Tiger Global Principals Limited, SAIF, Raj Koneru, Clearmist Limited, Vemuri Sneha Prabha and our Company*

Our Company has entered into a share purchase agreement dated June 16, 2009 with Sequoia, Tiger Global Five Holdings, Tiger Global Principals Limited, SAIF, Raj Koneru, Clearmist Limited and Vemuri Sneha Prabha (the "Sequoia SPA"). Pursuant to the Sequoia SPA, our Company's shareholders, Raj Koneru, Clearmist Limited and Vemuri Sneha Prabha, have sold 242,535 Equity Shares, held collectively by them at a price of USD 67.79 per Equity Share to Sequoia, Tiger Global Five Holdings, Tiger Global Principals Limited and SAIF. In terms of the Sequoia SPA, Sequoia, Tiger Global Five Holdings, Tiger Global Principals Limited and SAIF have executed a deed of adherence dated June 16, 2009 to the shareholders' agreement dated April 19, 2007. The shareholder's agreement 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 has been terminated and replaced by an amended and restated shareholders' agreement dated May 23, 2011.

4. *Share subscription agreement dated February 10, 2011 between Amitabh Bachchan and our Company*

Our Company has entered into a share subscription agreement dated February 10, 2011 with Amitabh Bachchan. 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. *Agreement for sale of assets dated March 29, 2011 between JD Global and our Company*

Our Company has entered into an agreement for sale of assets dated March 29, 2011 with JD Global. Pursuant to this agreement, our Company has 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 is February 14, 2011. As consideration for the sale, JD Global has paid our Company an aggregate amount of ₹ 17,554,234.

6. *Services agreement dated March 29, 2011 between JD Global and our Company*

Our Company has entered into a services agreement dated March 29, 2011 with JD Global. Pursuant to the services agreement, our Company has 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.

7. *Trademark license agreement dated August 10, 2011 between JD USA and Our Company.*

Our Company has entered into a license agreement dated August 10, 2011 with JD USA. Pursuant to the license agreement, our Company has 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'.

8. *Share purchase agreement dated May 23, 2011 between Ramani Iyer, V. Krishnan, EGCS Investment Holdings, SAPV (Mauritius) and our Company*

Our Company has entered into a share purchase agreement dated May 23, 2011 with Ramani Iyer, V. Krishnan, EGCS Investment Holdings and SAPV (Mauritius) (the "EGCS-SAPV SPA"). Pursuant to the EGCS-SAPV SPA, Ramani Iyer and V. Krishnan have sold 163,763 Equity Shares each to SAPV (Mauritius) and EGCS Investment Holdings, respectively, at a price of ₹ 344.88 per Equity Share. In terms of the EGCS-SAPV SPA, EGCS Investment Holdings and SAPV (Mauritius) have agreed to execute a deed of adherence to the shareholders' agreement dated May 23, 2011.

9. *Subscription Agreement dated May 23, 2011 between EGCS Investment Holdings, SAPV (Mauritius) and our Company*

Our Company entered into a subscription agreement with EGCS Investment Holdings and SAPV (Mauritius) ("Investors") on May 23, 2011 ("EGCS-SAPV SSA"). Pursuant to the EGCS-SAPV SSA, our Company issued 484,030 Preference Shares Series C to EGCS Investment Holdings and 484,030 Preference Shares Series C to SAPV (Mauritius) 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.

10. *Amended and restated shareholders' agreement dated May 23, 2011.*

Our Company, our Promoters, SAIF, Tiger Global, Sequoia, EGCS and SAPV have entered into a shareholders' agreement dated May 23, 2011 (the "SHA") in relation to the management and operation of our Company and their respective rights and obligations as the shareholders of our Company.

Pursuant to a share subscription agreement dated October 3, 2006 our Company had issued 207,806 Preference Shares Series A to SAIF. Our Company issued 8,713 Preference Shares Series A to SAIF, one Preference Share Series B to V.S.S. Mani and 35,967 Preference Shares to Tiger Global Four Holdings and Tiger Global Principals Limited pursuant to a subscription agreement dated April 19, 2007. Pursuant to a share purchase agreement dated April 19, 2007, Tiger Global Four Holdings and Tiger Global Principals Limited acquired 117,285 Equity Shares. Further, in terms of a share purchase agreement dated June 16, 2009, Sequoia, Tiger Global Five Holdings, Tiger Global Principals Limited and SAIF purchased 242,535 Equity Shares in aggregate from certain shareholders of our Company. 35,967 Preference Shares and 117,285 Equity Shares acquired by Tiger Global Four Holdings and Tiger Global Principals Limited were transferred to Tiger Global Four JD Holdings and 242,535 Equity Shares acquired by Tiger Global Five Holdings and Tiger Global Principals Limited were transferred to Tiger Global Five Indian Holdings, pursuant to an internal restructuring process. Pursuant to a share subscription agreement dated May 23, 2011, our Company has issued 484,030 Preference Shares Series C to SAPV and 484,030 Preference Shares Series C to EGCS. Further, pursuant to a share purchase agreement dated May 23, 2011, SAPV has purchased 163,763 Equity Shares from Ramani Iyer and EGCS has purchased 163,763 Equity Shares from V. Krishnan.

In terms of the SHA, as long as the Equity Shares of our Company are not listed on any stock exchange following an initial public offering, our Company shall not issue any shares to any person unless prior to such issue or sale the existing shareholders of our Company are given an opportunity to subscribe to such shares on the terms of the

proposed issue or sale. Pursuant to the SHA, our Promoters, SAIF, Tiger Global, Sequoia, EGCS and SAPV have agreed to cause our Company to undertake a qualified initial public offering in accordance with the terms specified in the SHA. Further, SAIF, Tiger Global, EGCS and SAPV have the right to request our Company to effect an offer for sale of all or any part of the shares owned by them together with the qualified initial public offering or any time after such qualified initial public offering. In the event of such an offer for sale, our Company will intimate the other shareholders of the same and provide them an opportunity to take part in such offer for sale. Further, if our Company has not undertaken an initial public offering by April 30, 2012, each of SAIF, Tiger Global, EGCS and SAPV will have the right to cause our Company to undertake an initial public offering on such terms and conditions that it may deem fit. In terms of the SHA, if any of the shareholders of our Company, other than SAIF, Tiger Global, EGCS and SAPV proposes to sell or transfer any of the shares owned by them in our Company, such shareholder shall provide the other shareholders an opportunity to purchase such shares on the terms of the proposed sale or transfer, as the case may be. In the event that our Promoters propose to sell or transfer any of the shares owned by them and the other shareholders do not exercise their right to purchase such shares, SAIF, Tiger Global, EGCS, SAPV and Sequoia shall have the right to require our Company to include certain shares owned by them in such sale or transfer.

In terms of the SHA, the Board of Directors shall have no more than ten Directors with SAIF, Tiger Global and Sequoia having the right to nominate one Director each and our Promoters having the right to nominate seven Directors, provided that three out of the seven directors nominated by our Promoters shall be independent directors. Further, our Company shall require the approval of SAIF, Tiger Global and Sequoia to undertake certain reserved matter 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.

The SHA will terminate (i) as to a particular shareholder when such shareholder ceases to be a shareholder of our Company, (ii) upon a written agreement between the parties to the SHA, (iii) upon liquidation of our Company, , (iv) upon filing of the prospectus with the RoC in respect of a qualified initial public offering by our Company or (vi) 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.

11. *Letter dated July 26, 2011 from our Company and our Promoters to SAIF, Tiger Global, Sequoia, EGCS and SAPV.*

Our Company and our Promoters have entered into a letter agreement dated July 26, 2011 with SAIF, Tiger Global, Sequoia, EGCS and SAPV for amending certain terms of the amended and restated shareholders' agreement dated May 23, 2011. In terms of the letter agreement, the parties have agreed that the amended and restated shareholders' agreement dated May 23, 2011 shall terminate on and from the date of filing the Prospectus with the RoC. Further, SAIF, Tiger Global, Sequoia, EGCS and SAPV have provided their consent for filing the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus and to complete the initial public offer on or prior to nine months from the date of the letter agreement.

12. *Sale/Share Transfer Agreement between our Company, JD Global and JD USA*

Our Company has 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, JD Global has 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 will be discharged by JD USA or 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, pending regularization of 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 sections “Risk Factors – We have received a letter dated July 27, 2011 from the RBI alleging contravention of certain regulations under FEMA, which pertain to the remittance of funds by our Company to JD USA” and “Outstanding Litigation and Material Developments – Notices” on pages 20 and 282, respectively.

Our Shareholders

Our Company has 46 Shareholders as of the date of this Draft Red Herring Prospectus. For further details regarding our Shareholders, please see the section “Capital Structure” on page 65.

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 – Our Competitors” on page 128.

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 the Draft Red Herring Prospectus:

Name, Father's Name, Designation, Term, DIN, Occupation, Nationality and Address	Age (in years)	Other Directorships/Partnerships/Trusteeships
B. Anand Father's name: Balasundaram Ramachandran Designation: Chairman and Independent Non-Executive Director Term: Liable to retire by rotation DIN: 02792009 Occupation: Service Nationality: Indian Address: D 814, Paradise, Raheja Vihar Powai, Mumbai 400 072	47	<i>Other Directorships</i> 1. Future Ventures India Limited; and 2. Staples Future Office Products Private Limited. <i>Partnerships</i> Nil <i>Trusteeships</i> Nil
V.S.S. Mani Father's name: T. V. Chalam Designation: Managing Director Term: Five years from August 1, 2011 DIN: 00202052 Occupation: Business Nationality: Indian Address: 3B-1703-04, Green Acres Lokhandwala Complex Andheri (West) Mumbai 400 053	45	<i>Other Directorships</i> 1. Just Dial Global Private Limited; 2. Just Dial Inc., U.S.A.; and 3. Superstar Ventures Private Limited <i>Partnerships</i> Nil <i>Trusteeships</i> Just Dial Private Limited Employees Group Gratuity Scheme
Ramani Iyer Father's name: T. V. Chalam Designation: Non-Independent, Non-Executive Director	41	<i>Other Directorships</i> Just Dial Global Private Limited <i>Partnerships</i>

Name, Father's Name, Designation, Term, DIN, Occupation, Nationality and Address	Age (in years)	Other Directorships/Partnerships/Trusteeships
Term: Liable to retire by rotation DIN: 00033559 Occupation: Business Nationality: Indian Address: 801-802, Building no. 6, Cedar 'B' Wing, Godrej Woodsman Estate, Hebbal Bellari Road, Kempapura, Bangalore 560 024		Nil <i>Trusteeships</i> Nil
V. Krishnan Father's name: T. V. Chalam Designation: Non-Independent, Executive Director Term: Five years from August 1, 2011 DIN: 00034473 Occupation: Business Nationality: Indian Address: D-604 Anandlok Society Mayur Vihar Phase – 1 New Delhi 110 091	40	<i>Other Directorships</i> Just Dial Global Private Limited <i>Partnerships</i> Nil <i>Trusteeships</i> Just Dial Private Limited Employees Group Gratuity Scheme
Ravi Adusumalli Father's name: Subbarao Adusumalli Designation: Non-Independent Non-Executive Director Term: Liable to retire by rotation DIN: 00253613 Occupation: Service Nationality: American Address: 741, Northland Drive, Salt Lake City, Utah, 84103, U.S.A.	35	<i>Other Directorships</i> - Amoha Education Private Limited; - Cybernet-Slash Support Inc.; - Fatpipe Networks India Limited; - Fingerprints Fashions Private Limited; - Ivision Media India Private Limited; - Just Dial Global Private Limited; - MakeMy Trip (India) Private Limited; - MakeMy Trip Limited (Mauritius); - Network 18 Media & Investment Limited; - One97 Communications Private Limited; - TV 18 HSN Holdings Limited; <i>Partnerships</i> Nil <i>Trusteeships</i>

Name, Father's Name, Designation, Term, DIN, Occupation, Nationality and Address	Age (in years)	Other Directorships/Partnerships/Trusteeships
		Nil
Sandeep Singhal Father's name: Anand Prakash Gupta Designation: Non-Independent Non-Executive Director Term: Liable to retire by rotation DIN: 00040491 Occupation: Business Nationality: Indian Address: C-76, Diamond District, Airport Road, Bangalore, Karnataka - 560017	41	<i>Other Directorships</i> 1. AppLabs Technologies Private Limited; 2. Carzonrent (India) Private Limited; 3. Celon Laboratories Limited; 4. Dr. Lal PathLabs Private Limited; 5. eClerx Services Limited; 6. Just Dial Global Private Limited; 7. Nazara Technologies Private Limited; 8. People Interactive (India) Private Limited; 9. Reamatrix Inc. 10. Stovekraft Private Limited; and 11. Westbridge Advisors Private Limited. <i>Partnerships</i> Nil <i>Trusteeships</i> Nil
Sanjay Bahadur Father's name: Jagdish Bahadur Designation: Independent Non-Executive Director Term: Liable to retire by rotation DIN: 00032590 Occupation: Service Nationality: Indian Address: 3B-901/2, Green Acres, CHS Limited P.L. 325, Lokhandwala Complex Andheri (West), Mumbai, 400 053	49	<i>Other Directorships</i> 1. A. B. Hotels Limited; 2. Bamco Supply and Services Limited, Thailand; 3. Pidilite Industries Limited 4. Pidilite Bamco Limited, Thailand; and 5. Unitech Limited. <i>Partnerships</i> Nil <i>Trusteeships</i> Nil
Malcolm Monterio Father's name: Joseph Monteiro Designation: Independent Non-Executive Director Term: Liable to retire by rotation DIN: 00089757	58	<i>Other Directorships</i> 1. Blue Dart Express Limited; and 2. DHL Express (Singapore) Private Limited <i>Partnerships</i> Nil <i>Trusteeships</i>

Name, Father's Name, Designation, Term, DIN, Occupation, Nationality and Address	Age (in years)	Other Directorships/Partnerships/Trusteeships
Occupation: Service Nationality: Indian Address: 1701/3B, Green Acres Lokhandwala Complex, Andheri (West) Mumbai, 400 053		Nil

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 Sandeep Singhal have been nominated to the Board by our shareholders SAIF and Sequoia, respectively, pursuant to the amended and restated shareholders' agreement dated May 23, 2011 between our Company, our Promoters, SAIF, Tiger Global and Sequoia (the "SHA"). In terms of the letter dated July 26, 2011 between our Company, our Promoters, SAIF, Tiger Global and Sequoia, 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 May 23, 2011" on page 141.

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 24 years of experience in the field of finance and accounts. He is currently a group director (finance) of the Future Group. He has previously worked with 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 Managing Director and Chief Executive Officer of our Company. Our Company was founded by V.S.S. Mani and he 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 after completing two years and also undertook articleship under a member of the Institute of Chartered Accounts of India. He has 23 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 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 18 years of experience, working with our Company in the field of marketing. Ramani Iyer 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 after completing two years. He has been associated with our Company since its incorporation and has 18 years of experience, working in the field of marketing. V. Krishnan has played key role in the development of various branches of our Company. He manages corporate business development activities of our Company.

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 15 years of experience in the field of finance and investment. He is currently a partner and the head of the India office at SAIF Partners. Prior to joining SAIF Partners, he worked with Mobius Venture Capital.

6. Sandeep Singhal

Sandeep Singhal is a Non-Independent, Non-Executive Director of our Company. He was appointed as a Director of our Company on September 18, 2009. He holds a Post-graduate diploma in Management from the Indian Institute of Management, Ahmedabad, and a Master's degree in Molecular Simulation from the University of Illinois, Chicago and a Bachelor's degree in Chemical Engineering from the Indian Institute of Technology, Delhi. He has 10 years of experience in the field of venture capital and private equity. He is a co-founder and the current managing director of WestBridge Advisors Private Limited. Prior to joining WestBridge Advisors Private Limited, he co-founded and worked with Sequoia Capital India and has also worked with Boston Consulting Group and Hindustan Lever Limited.

7. 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 27 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.

8. Malcolm Monteiro

Malcolm Monterio 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.

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, 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 appointment of V.S.S. Mani as the Managing Director of our Company:

Particulars	Remuneration
Salary	₹ 8.4 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.

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 appointment of V.S.S. Mani 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 2011 are as follows:

1. Remuneration to Executive Directors:

The aggregate value of salary and perquisites paid for fiscal 2011 to our Executive Directors are set forth in the table below:

Sr. No	Name of the Director	Salary (In ₹ million)
1.	V.S.S. Mani	2.40
2.	Ramani Iyer*	9.23
3.	V. Krishnan	9.23

* 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:

Our Company does not pay any sitting fees or other remuneration to the Non-Executive Directors of our Company.

Except as stated in this section “Our Management” on page 144, 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 Draft Red Herring Prospectus is set forth below:

Name of Director	Number of Equity Shares held
V.S.S. Mani*	22,313,944
Ramani Iyer	2,033,285
V. Krishnan	2,420,509

* V.S.S. Mani holds one Preference Share Series B, which will be converted into one Equity Share, prior to filing of the Red Herring Prospectus with the RoC. For further details, please see the section “Capital Structure” on page 65.

Borrowing Powers of Board

In accordance with the Article 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. Sandeep Singhal;
3. Sanjay Bahadur; and
4. Malcolm Monteiro.

The Audit Committee was constituted by a meeting of our Board of Directors held on August 2, 2011. 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 performance of statutory and internal auditors and the adequacy of internal control systems;
- g. 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;
- h. Discussion with internal auditors any significant findings and follow up there on;
- i. 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;
- j. 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;
- k. 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;
- l. To review the functioning of the whistle blowing mechanism, in case the same is existing; and
- m. 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:

- To approve requests for transfer and transmission of shares;
- To approve dematerialization and rematerialization of shares;
- To consider and approve, split, consolidation and issuance of duplicate shares;
- 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 Issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

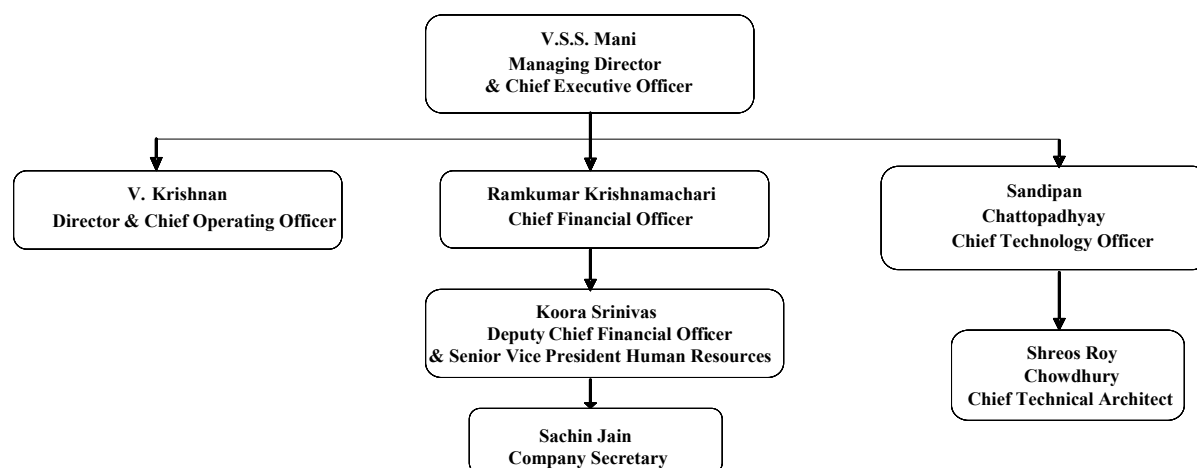
Our Directors have no interest in any property acquired or proposed to be acquired by our Company within two years from the date of this Draft Red Herring Prospectus. Our Company has entered into a leave and license agreement dated September 15, 2009 with V.S.S. Mani, our Director and Anita Mani for the premises situated at unit no. 501-B, 5th Floor, Building 'M', Palm Court Complex, Link Road, Malad (West), Mumbai for a period of 33 months from June 15, 2009 to March 14, 2012. In terms of this leave and license agreement, our Company has recorded as rent, aggregate amounts of ₹ 4,581,278 and ₹ 4,348,782 for the years ended March 31, 2011 and March 31, 2010, respectively, to V.S.S. Mani and Anita Mani. Our Company is currently paying ₹ 403,814 per month for the period between April 15, 2011 to March 14, 2012.

Except as stated in the section titled "Related Party Transactions" on page 164 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
Raj R. Koneru	June 18, 2009	Resignation
Sandeep Singhal	June 18, 2009	Appointment as additional director
Sandeep Singhal	September 18, 2009	Appointment as nominee director
Anita Mani	January 27, 2010	Appointment
Feroz Dewan	January 27, 2010	Appointment
Anita Mani	July 22, 2011	Resignation
Feroz Dewan	July 22, 2011	Resignation
V.S.S. Mani	August 2, 2011	Re-appointment as Managing Director
V. Krishnan	August 2, 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 Monterio	August 2, 2011	Appointment as Independent 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 Draft Red Herring Prospectus are as follows:

1. V.S.S. Mani

For details, please see the section “Our Management – Brief Biographies” on page 147

2. V. Krishnan

For details, please see the section “Our Management – Brief Biographies” on page 147

3. Ramkumar Krishnamachari

Ramkumar Krishnamachari, aged 44 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. and has passed the 2001 CFA (Chartered Holder) examination of the Association for Investment and Research, Virginia, U.S.A. He has 21 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. The gross compensation paid to him during fiscal 2011 was ₹ 4,000,000. His term of office expires in the year 2025.

4. Sandipan Chattopadhyay

Sandipan Chattopadhyay, aged 38 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 15 years of experience in the field of technology. Prior to joining our Company he was associated with E Dot Solutions India Private Limited. The gross compensation paid to him during fiscal 2011 was ₹ 6,000,000. His term of office expires in the year 2031.

5. Koora Srinivas

Koora Srinivas, aged 35 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 12 years of experience in the field of finance and accounting. The gross compensation paid to him during fiscal 2011 was ₹ 5,159,422. His term of office expires in the year 2034.

6. Shreos Roy Chowdhury

Shreos Roy Chowdhury, aged 38 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 10 years of experience in the field of technology. Prior to joining our Company he worked with Reliance Big Entertainment Private Limited. The gross compensation paid to him during fiscal 2011 was ₹ 2,583,000. His term of office expires in the year 2021.

7. Sachin Jain

Sachin Jain, aged 34 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 9 years of experience. Prior to joining our Company he worked with DB Hospitality Private Limited. The gross compensation paid to him during fiscal 2011 was ₹ 916,665. His term of office expires in the year 2035.

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 Draft 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*	22,313,944
V. Krishnan	2,420,509
Ramkumar Krishnamachari	7,840
Sandipan Chattopadhyay	Nil
Koora Srinivas	117,040
Shreos Roy Chowdhury	Nil
Sachin Jain	Nil

* V.S.S. Mani holds one Preference Share Series B, which will be converted into one Equity Share, prior to filing of the Red Herring Prospectus with the RoC. For further details, please see the section "Capital Structure" on page 65.

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

Name of key management personnel	Incentive (per annum)
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	0.10% 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
Sandipan Chattopadhyay	Chief Technology Officer	January 1, 2009	Appointment
Kirtikar Ojha	Senior Group Vice-President	July 6, 2009	Resignation
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	July 27, 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 75.

Payment or Benefit to officers of our Company

Except as stated otherwise in this Draft 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.

	V.S.S. Mani, aged 45 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 144. His driving license number is MDC 93051806. His passport number is E3619605. He does not hold a voters identification card.
	Anita Mani, aged 42 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 18 years of experience, working with our Company in the field of general management. Her passport number is F1640115. Her voter identification card number is ACC2071645. She does not have a driving license.
	Ramani Iyer, aged 41 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 144. His driving license number is KA-04 20100050525. His voter identification card number is SOH0806810. His passport number is G1702145.
	V. Krishnan, aged 40 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 144. His driving license number is DL-0719930057358. His voter identification card number is SFJ1264332. His passport number is E6864830.

Our Company confirms that the permanent account number, bank account number and passport number of our Promoters shall be 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 65.

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 144.

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 164.

Our Company has not entered into any contract, agreements or arrangements during the preceding two years from

the date of this 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. Our Company has entered into a leave and license agreement dated September 15, 2009 with two of our Promoters, V.S.S. Mani and Anita Mani for the premises situated at unit no. 501-B, 5th Floor, Building ‘M’, Palm Court Complex, Link Road, Malad (West), Mumbai for a period of 33 months from June 15, 2009 to March 14, 2012. In terms of this leave and license agreement, our Company has recorded as rent, aggregate amounts of ₹ 4,581,278 and ₹ 4,348,782 for the years ended March 31, 2011 and March 31, 2010, respectively, to V.S.S. Mani and Anita Mani. Our Company is currently paying ₹ 403,814 per month for the period between April 15, 2011 to March 14, 2012.

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”. 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 25.

Payment of benefits to our Promoters

Except as stated in the section “Related Party Transactions” on page 164, there has been no payment of benefits to our Promoters during the two years preceding the filing of this 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 of the Issuer

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:

Name of the Promoter	Name of the Relative	Relationship with the Promoter
V.S.S. Mani	Meenakshi Chalam	Mother
	Vijayalakshmi Shankar	Sister
	Arjun Iyer	Son
	Manasi Iyer	Daughter
	Velachirayil Narayana Narayanan Pillai	Father of spouse
	Manammal Kuttiyamma Vijayam	Mother of spouse
	Ajit Narayan	Brother of spouse

Name of the Promoter	Name of the Relative	Relationship with the Promoter
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
V. Krishnan	Shruthi Ramesh	Sister of spouse
	Meenakshi Chalam	Mother
	Eshwary Krishnan	Spouse
	Vikayalakshmi 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

1. Superstar Ventures Private Limited;
2. JD Global; and
3. JD USA.

OUR GROUP COMPANIES

Unless otherwise specified, all information in this section is as of the date of this Draft 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. Our Company and JD Global have filed a scheme of arrangement before the High Court of Bombay 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 July 1, 2011, which is yet to be sanctioned by the High Court of Bombay. Our Company proposes to apply to the High Court of Bombay to change the date from which the Scheme is to take effect, i.e., from July 1, 2011 to August 1, 2011 and other consequential changes, if any. 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 138.

Interest of our Promoters

Name	No. of equity shares held*	Percentage of shareholding (%)
V. S. S. Mani	123,198	59.57
Anita Mani	2,956	1.43
V. Krishnan	11,923	5.76
Ramani Iyer	11,923	5.76
Total	150,000	72.52

* If the High Court of Bombay approves the Scheme and the Scheme becomes effective, the number of shares held by our Promoters in JD Global will increase as a result of further issue of shares by JD Global as provided in the Scheme. For further details, 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 138.

Financial Performance

<i>(₹ in million, except per share data)</i>			
Sr. No.	Particulars	For the year ended	
		March 31, 2011	March 31, 2010
1.	Equity Capital	2.07	6.75
2.	Reserves and surplus	168.62	-
3.	Income including other income	1.35	-
4.	Profit after tax	(97.17)	(0.37)
5.	Earnings per share	(135.94)	(126.63)
6.	Net asset value per share	825.33	10.00

As JD Global was incorporated on March 18, 2010, there is no financial information available for fiscal 2009.

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) to our Company as consideration for the transfer of our Company's shareholding in JD USA. For further details, please see the sections "History and Certain Corporate Matters – Sale/Share Transfer Agreement between our Company, JD Global and JD USA" and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Recent Developments" on pages 142 and 280, respectively.

Interest of our Promoter

JD USA is a wholly owned subsidiary of JD Global. Our Promoters indirectly hold 72.52% of JD USA.

Financial Performance

(In US\$, except share data)

Sr. No.	Particulars	For the year ended		
		March 31, 2011	March 31, 2010	March 31, 2009
1.	Equity Capital	485,000	485,000	300,000
2.	Reserves and surplus	(466,510)	(437,849)	(258,005)
3.	Income including other income	535,751	Nil	Nil
4.	Profit/(Loss) After Tax	(28,661)	(62,885)	(132,414)
5.	Earnings Per Share	(28.66)	(62.89)	(88.28)
6.	Net asset value per share	(10)	(34)	(47)

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
Total	10,000	100.00

Financial Performance

(₹ in million)

Sr. No.	Particulars	For the year ended
		March 31, 2010
1.	Equity Capital	0.1
2.	Reserves and surplus	0.00
3.	Income including other income	0.00

4.	Profit After Tax	0.00
5.	Earnings Per Share	0.00
6.	Net asset value per share	9.00

As SVPL was incorporated on January 12, 2010, financial information is not available for the year ended March 31, 2009. Further audited financial information of SVPL for fiscal 2011 is not available as on the date of this Draft Red Herring Prospectus and the same will be included in the Red Herring Prospectus to be filed with the RoC.

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, 2011	March 31, 2010	March 31, 2009
1.	LIC Group Gratuity Fund	29.10	12.77	8.19
2.	Cash in bank	0.12	7.07	3.01
3.	Trust Fund Account	29.19	19.46	11.21
4.	Gratuity payable to Employees	0.03	0.38	0.00

Group Companies with negative network, 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 network.

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 164.

Sale/Purchase between Group Companies, Subsidiaries and Associate Companies

For details, please see the section “Related Party Transactions” on page 164.

Business Interest of Group Companies and Associate Companies in our Company

Except for the trademark license agreement between JD USA 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” on page 142.

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 the Draft 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 XVII – Restated Unconsolidated Statement of Related Party Disclosures” and “Financial Statements – Annexure XVI – Restated Consolidated Statement of Related Party Disclosures” on pages 215 and 263, 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. The dividends declared by our Company during the last five fiscal years are detailed in the following table:

1. *Equity Shares:*

Particulars	Fiscal 2008	Fiscal 2007
Face value per Equity Share (₹)	10	10
Dividend Paid (₹ in million)	1.71	10.03
Rate of Dividend (%)	20	117.08
Dividend Distribution Tax (₹ in million)	0.29	1.41

Our Company has paid dividend of Rs. Nil on the Equity Shares during fiscals 2009, 2010 and 2011.

2. *Preference Shares:*

2.1. *Preference Shares Series A*

Particulars	Fiscal 2008	Fiscal 2007
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 Rs. Nil on Preference Shares Series A during fiscals 2009, 2010 and 2011.

2.2. *Preference Shares Series B*

Particulars	Fiscal 2008	Fiscal 2007
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 Rs. Nil on Preference Shares Series B during fiscals 2009, 2010 and 2011.

2.3. *Preference Shares Series C*

Our Company has paid dividend of Rs. Nil on Preference Shares Series C.

The amounts paid as dividends in the past are not necessarily indicative of our Company's dividend policy or dividend amounts, if any, in the future.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Restated Unconsolidated Summary Statement of Assets and Liabilities as at March 31, 2011, March 31, 2010, March 31, 2009, March 31, 2008 and March 31, 2007 and Profits and Losses and Cash Flows for the year ended March 31, 2011, March 31, 2010, March 31, 2009, March 31, 2008 and March 31, 2007 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, 5th Floor,
Link Road, Malad (West),
Mumbai – 400 064.

Dear Sirs,

1. We have examined the restated unconsolidated financial information of Just Dial Limited ('the Company') as at March 31, 2011, 2010, 2009, 2008 and 2007 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 provision 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 6 August, 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 7, 2010, 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;
 - 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 for the fresh issue and for offer for sale by investors of equity shares of ₹ 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.
4. The restated unconsolidated financial information has been compiled by the management from:
 - a) the audited unconsolidated financial statements of the Company for the year ended March 31, 2010 and March 31, 2011 which have been audited by us;
 - b) the audited unconsolidated financial statements of the Company for the year ended March 31, 2007, March 31, 2008 and March 31, 2009 which have been audited by the Company's previous auditor Dinesh Nair and Associates, and whose auditors' reports have been relied upon

by us for the said years; and

- c) 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, March 31, 2008 and March 31, 2007 (Refer para 6 (g) (C)).

- 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 statement of assets and liabilities of the Company as at March 31, 2011, 2010, 2009, 2008 and 2007 and related restated unconsolidated summary statement of profits and losses and cash flows for the years ended March 31, 2011, 2010, 2009, 2008 and 2007 and as set out in Annexure I to III.

- 6. Based on our examination and the reliance placed on the reports of the auditors as referred to in Paragraph 4(b) above to the extent applicable and based on the clarification received from previous auditors through his letter referred to in paragraph 4(c) 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 year ended March 31, 2011 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 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(c) above, there are no qualifications in the auditors' reports, which require any adjustments to the summary statements; and
- f) Other audit qualifications in the unconsolidated financial statements for the year ended March 31, 2011 and March 31, 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, 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.

(iii) 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 (₹)	Period to which the amount relates	Due Date	Date of Payment
ESIC Act	ESIC	30,251,804	April 2005 to March 2010	21 st of every month	Not yet paid (refer note 14 to Schedule IV to the restated unconsolidated summary statements)

B. 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 (₹)	Period to which the amount relates	Due Date	Date of Payment
ESIC Act	ESIC	30,251,804	April 2005 to March 2010	21 st of every month	Not yet paid

- g) Following are the modification by the previous auditor in the previous years ended March 31, 2009, March 31, 2008 and March 31, 2007 as stated in section 5 of Annexure IVB of this report, which read with clarifications referred to in para 4(c) above are deemed non qualificatory and hence, does not require any corrective adjustment in the financial information

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 31st 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 qualifying 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 qualifying in nature rather trying to draw the attention to relevant Accounting Policies to the Notes to Accounts since the company was introducing new type of listing from time to time."

B. Clause vi of Auditor's report for the Financial year ended March 31, 2007

In the clause vi of auditor's report for the year ended March 31, 2007, 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 read with note-9 of schedule-R regarding change in accounting policy and its impact on the profits of the Company and note-10 regarding non-provisioning for dividend on preference shares, 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 31st March, 2007 and
- (b) In case of the Profit and Loss Account, of the profit for the year ended on that date."

Note-9 of Schedule-R mentioned in the above clause reads as follows:

"During the year the company has changed its policy towards recognizing revenue and deferred expenses related to publication of yellow pages. Hitherto, the company was recognizing the revenue on 'completion basis'. However, during the period under review the Company has recognized the revenue on receipt basis"

Note-10 of Schedule-R mentioned in the above clause reads as follows:

"The Company has not provided for dividends on preference shares since the same is not payable now".

The Company has sought a clarification from the auditor whether the said comments are not qualifying in nature. The previous auditor, vide his letter dated August 2, 2011 clarified as follows:

“In the audit reports for years ended March 31, 2007, the comment drawing reference to Note 10 of Schedule- R is not qualificatory in nature rather trying to draw the attention to the relevant fact that the preference shares are cumulative in nature and the liability is contingent in nature.

In the audit reports for years ended March 31, 2007, the comment drawing reference to Note 9 of Schedule- R is not qualificatory in nature rather trying to draw the attention to relevant fact of change in treatment of Accounting Policies.”

C. CARO clauses not commented upon by previous auditor for the years ended March 31, 2009, 2008 and 2007

In the audit reports for years ended March 31, 2009 ,2008 and 2007, 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 para 4(c), 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, including other financial information in Para 8 below, 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 Annexure IV(A), has 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 March 31, 2011. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the Company or its subsidiary as of any date or for any period subsequent to March 31, 2011.

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 for the year ended In respect of the years ended March 31, 2011, 2010, 2009, 2008 and 2007:
- i. Restated Unconsolidated Statement of Reserves & Surplus, enclosed as Annexure V

- ii. Restated Unconsolidated Statement of Investments, enclosed as Annexure VI
 - iii. Restated Unconsolidated Statement of Sundry Debtors, enclosed as Annexure VII
 - iv. Restated Unconsolidated Statement of Loans and Advances, enclosed as Annexure VIII
 - v. Restated Unconsolidated Statement of Secured Loans, enclosed as Annexure IX
 - vi. Restated Unconsolidated Statement of Current Liabilities and Provisions, enclosed as Annexure X
 - vii. Restated Unconsolidated Statement of Other Income, enclosed as Annexure XI
 - viii. Restated Unconsolidated Statement Contingent Liabilities, enclosed as Annexure XII
 - ix. Restated Unconsolidated Statement of dividend, enclosed as Annexure XIII
 - x. Restated Unconsolidated Statement of accounting ratios based, enclosed as Annexure XIV
 - xi. Capitalisation statement, as appearing in Annexure XV
 - xii. Details of Related Party Disclosures, enclosed as Annexure XVI
 - xiii. Statement of tax shelters, enclosed as Annexure XVII
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 a new opinion on any of the financial statements referred to herein.
10. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. 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
Firm Registration. No.: 101049W
Chartered Accountants

per Govind Ahuja
Partner
Membership No. 48966

Place: Mumbai
Date: August 9, 2011

Annexure I - Restated Unconsolidated Summary Statement of Assets and Liabilities

₹ in million

	Particulars	As at				
		31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
A	Fixed assets					
	Gross block	452.30	329.60	237.90	183.77	128.52
	Less: Accumulated depreciation/amortisation	180.37	141.35	96.01	60.47	37.31
	Net block	271.93	188.25	141.89	123.30	91.21
	Capital advances	17.69	5.73	3.18	-	-
		289.62	193.98	145.07	123.30	91.21
B	Investments	1,182.22	807.61	416.16	420.73	163.69
C	Deferred tax assets, net	12.43	27.89	126.87	113.22	79.96
D	Current assets, loans and advances					
	Sundry debtors	0.60	0.35	0.69	7.71	1.59
	Cash and bank balances	196.08	114.27	203.69	144.12	96.50
	Other current assets, loans and advances	233.29	108.07	72.75	38.01	41.72
		429.97	222.69	277.13	189.84	139.81
E	Liabilities and provisions					
	Secured Loans	3.16	4.71	0.29	1.19	2.63
	Current Liabilities	936.41	576.87	484.55	447.70	315.47
	Provisions	20.59	13.16	30.19	25.96	10.26
		960.16	594.74	515.03	474.85	328.36
	Net worth (A + B + C + D - E)	954.08	657.43	450.20	372.24	146.31
	Net worth represented by					
F	Share capital					
	- Equity share capital	519.05	8.56	8.56	8.56	8.56
	- Preference share capital	1.96	2.52	2.52	2.52	2.08
	Total Share capital	521.01	11.08	11.08	11.08	10.64
G	Stock option outstanding	3.24	22.67	8.69	6.14	-
H	Reserves and surplus					
	- General reserves	-	37.43	37.43	25.31	15.96
	- Securities premium account	4.39	381.70	381.70	381.70	180.64
	- Capital redemption reserves	-	0.87	0.87	0.87	0.87
	- Profit and loss account	425.44	203.68	10.43	(52.86)	(61.80)
		429.83	623.68	430.43	355.02	135.67
	Net worth (F + G + H)	954.08	657.43	450.20	372.24	146.31

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.

For S. R. Batliboi & Associates
Firm Registration. No.: 101049W
Chartered Accountants

per Govind Ahuja
Partner
 Membership No. 48966
 Mumbai
 August 9, 2011

Annexure II - Restated Unconsolidated Summary Statement of Profits and Losses

₹ in million

Particulars	For the year ended				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Income					
Income from operations	1,839.33	1,309.07	859.22	695.87	484.25
Other income	37.27	38.56	58.92	20.16	18.19
Total Income	1,876.60	1,347.63	918.14	716.03	502.44
Expenditure					
Operating and other expenses	438.40	332.41	251.52	231.00	139.04
Personnel expenses	942.41	668.82	522.77	420.54	307.74
Financial expenses	4.94	4.18	5.62	7.76	7.35
Depreciation/amortisation	67.88	49.99	38.41	24.46	14.15
Total expenditure	1,453.63	1,055.40	818.32	683.76	468.28
Restated Profit before tax	422.97	292.23	99.82	32.27	34.16
Tax Expense/(Income)					
Current tax	119.24	-	35.17	41.87	34.42
Deferred tax charge /(credit)	15.48	98.98	(13.65)	(33.27)	(20.52)
Fringe benefit tax	-	-	2.89	2.78	2.38
Total taxes	134.72	98.98	24.41	11.38	16.28
Restated profit after tax	288.25	193.25	75.41	20.89	17.88
Profit and loss at the beginning of the year, as restated	203.68	10.43	(52.86)	(61.80)	(60.85)
Balance available for Appropriation, as restated	491.93	203.68	22.55	(40.91)	(42.97)
Appropriation					
Proposed dividend	-	-	-	2.22	-
Interim dividend	-	-	-	-	10.03
Corporate dividend tax	-	-	-	0.38	1.41
Transfer to general reserve	-	-	12.12	9.35	6.52
Transfer to capital redemption reserve	-	-	-	-	0.87
Total	-	-	12.12	11.95	18.83
Balance carried forward as restated	491.93	203.68	10.43	(52.86)	(61.80)

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.

For S. R. Batliboi & Associates
Firm Registration. No.: 101049W
Chartered Accountants

per Govind Ahuja
Partner
 Membership No. 48966

Place: Mumbai
 Date:

Annexure III - Restated Unconsolidated Summary Statement of Cash Flows
₹ in million

Particulars	For the year ended				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
A. CASH FLOW FROM/ (USED IN) OPERATING ACTIVITIES					
Net profit before taxation (as restated)	422.97	292.23	99.82	32.27	34.16
Adjustments for:					
Loss / (profit) on sale/scrap of fixed assets (net)	12.29	(0.16)	(0.72)	(0.30)	(2.89)
Unrealized foreign exchange loss (net)	0.80	0.05	-	-	-
ESOP expenses	3.24	13.97	2.56	6.13	3.94
Advertisement expenses	4.40	-	-	-	-
(Profit)/ loss on sale of investments	(2.78)	(3.07)	(19.73)	0.56	3.66
Dividend income	(28.61)	(25.84)	(29.40)	(14.38)	(0.01)
Interest income	(2.27)	(8.40)	(7.59)	(4.95)	(14.58)
Interest Expense	0.29	0.04	0.05	0.14	0.42
Depreciation / amortisation	67.88	49.99	38.41	24.46	14.15
Operating profit before working capital changes (as restated)	478.21	318.81	83.40	43.93	38.85
Movements in Working Capital					
(Increase)/ decrease in sundry debtors	(0.25)	0.34	7.03	(6.12)	(0.38)
(Increase) / decrease in loans and advances	(111.67)	(4.12)	(34.72)	30.43	29.28
Increase in current liabilities	359.54	92.33	36.85	129.64	60.05
Increase / (decrease) in provisions	7.43	(3.66)	8.48	(21.51)	(29.37)
Cash flow from operations	733.26	403.70	101.04	176.37	98.43
Direct taxes paid (including fringe benefit taxes paid)	(133.19)	(44.57)	(39.73)	(34.18)	(37.39)
Net cash generated from operating activities	600.07	359.13	61.31	142.20	61.04
B. CASH FLOW FROM /(USED IN) INVESTING ACTIVITIES					
Purchase of fixed assets	(191.86)	(99.10)	(61.59)	(56.81)	(49.97)
Proceeds from sale of fixed assets	16.05	0.35	2.12	0.58	7.01
Investment in subsidiaries	-	(14.11)	-	-	(13.39)
Purchase of current investments	(2,005.91)	(899.81)	(563.85)	(307.04)	(153.66)
Sale of current investments	1,773.56	525.51	588.14	49.43	-
Purchase of long term investment	(144.76)	-	-	-	-
Buy back of shares by subsidiary	5.25	-	-	-	-
Payment on purchase of business	-	-	-	-	(128.38)
Deposits (with maturity more than 3 months)	(49.62)	(47.21)	(142.57)	(36.86)	(1,185.64)
Proceeds from deposits matured(with maturity more than 3 months)	38.95	188.47	42.28	33.24	1,175.93
Dividend received	28.61	25.84	29.40	14.38	0.01
Interest received	1.88	8.40	7.59	4.95	14.58
Net cash used in investing activities	(527.85)	(311.66)	(98.48)	(298.13)	(333.51)
C. CASH FLOW FROM /(USED IN) FINANCING ACTIVITIES					
Secured loan taken	-	4.99	-	-	-
Repayment of secured loans	(1.54)	(0.57)	(0.90)	(1.44)	(2.25)
Interest paid	(0.29)	(0.04)	(0.05)	(0.14)	(0.42)
Dividend paid	-	-	(2.22)	-	(21.92)

Particulars	For the year ended				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Dividend distribution tax	-	-	(0.38)	-	(3.07)
Buy back of equity shares	-	-	-	-	(226.28)
Receipts from issue of shares	0.75	-	-	-	-
Net proceeds from issue of preference shares	-	-	-	201.51	532.09
Net cash generated from / (used in) financing activities	(1.08)	4.38	(3.55)	199.93	278.15
Net increase / (decrease) in cash and cash equivalents (A + B + C)	71.14	51.85	(40.72)	43.99	5.68
Cash and cash equivalents at the beginning of year	103.85	52.00	92.72	48.73	43.05
Cash and cash equivalents at the end of the year	174.99	103.85	52.00	92.72	48.73
	As At				
Components of Cash and Cash Equivalents	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Cash on hand	4.59	0.83	2.63	2.72	1.99
Balance with scheduled banks :					
Current account	170.40	103.02	49.37	90.00	46.74
Fixed deposit account	21.09	10.42	151.69	51.40	47.77
	196.08	114.27	203.69	144.12	96.50
Less: Fixed deposits not considered as cash equivalents	(21.09)	(10.42)	(151.69)	(51.40)	(47.77)
	174.99	103.85	52.00	92.72	48.73

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.

For S. R. Batliboi & Associates
Firm Registration No.: 101049W
Chartered Accountants

per Govind Ahuja
Partner
Membership No. 48966

Place: Mumbai
Date:

Annexure IVA: Notes on Material Adjustments

The summary of results of restatement made in the audited unconsolidated financial statements for the respective years and its impact on the profit/ (loss) of the Company is as follows:

₹ in million

Particulars	For the financials years				
	2010-11	2009-10	2008-09	2007-08	2006-07
(A) Net Profit/(loss) as per audited financial statements	295.39	(104.78)	121.20	93.51	65.15
Adjustments due to changes in accounting policies					
Increase/ (Decrease) in Depreciation due to change in method from Written Down Value (WDV) Method to Straight Line Method (SLM).(Refer Note 1 of Annexure IVB)	-	(10.17)	1.91	6.86	0.66
Increase/ (Decrease) in profit on sale of assets due to change in method of depreciation from WDV to SLM basis.(Refer Note 1 of Annexure IVB)	-	-	0.70	0.27	(0.53)
Other Adjustments					
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)	(54.15)
Provision for Compensated Absences(Refer Note 2(A)(e) of Annexure IVB)	-	14.92	(6.51)	(2.58)	(2.49)
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)	(0.45)
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	(1.03)
Adjustment for other employee liabilities(Refer Note 2(A)(f) of Annexure IVB)	-	23.91	(8.02)	(8.39)	(5.03)
Employee Stock Options - accounting treatment as per the guidance note issued by the Institute of Chartered Accountants of India (Refer Note 2A(d) of Annexure IVB)	-	12.62	(2.56)	(6.14)	(3.93)
Reversal of Prior year adjustments due to the expense recognition in the year to which it relates.	-	-	(0.28)	-	-
(B) Total Adjustments	-	423.98	(62.31)	(108.51)	(66.95)
(C) Tax (under-provisions)/over-provisions(Refer Note 2(B) of Annexure IVB)	0.68	2.34	0.67	(0.79)	(1.72)
(D) Deferred Tax impact of adjustments	(7.82)	(128.29)	15.85	36.68	21.40
Restated Profit (A+B+C+D)	288.25	193.25	75.41	20.89	17.88

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.

Annexure IVB

1. 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, 2008 and 2007 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, 2008 and 2007.

Further, the profit and loss on assets sold in each of the financial years ending March 31 2009, 2008 and 2007 been recomputed in line with the revised policy.

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 recognized 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, 2008 and 2007.

b) *Publishing expense*

Printing and publishing expense related to yellow pages directory has been restated in each of financial years ended March 31, 2009, 2008 and 2007 based on the expense related to each of the financial years in which the revenue from yellow pages were recognized. In the audited financial statements for such years, the publishing expenses were recognized based on when the expense was due or paid, whichever is earlier.

c) *Straight-lining of operating lease expenses*

In the audited financial statements for the years ended March 31, 2009, 2008 and 2007, 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 recognized 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 recognized in the audited accounts of the previous financial years. On restatement of financial statements, the compensation expense and the deferred compensation related to employee stock option

has been recognized in each of the financial years to which such charge relates. The balance value of the options not recognized during each of the financial years has been recognized 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 recognized in Share Premium account in the respective years in which the options were recognized.

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, 2008 and 2007 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, 2008 and 2007 and this adjustment has been 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, 2008 and 2007 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 policies 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, 2008 and 2007 have been offset with the deferred tax assets created as a consequence of the above changes and the net deferred tax amount has been recognized in the restated financial statements for the years ended March 31, 2009, 2008 and 2007

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 year ended March 31, 2011 and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations 2009 (as amended).

4. 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 for the 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.

(iii) 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 ₹	Period to which the amount relates	Due Date	Date of Payment
ESIC Act	ESIC	30,251,804	April 2005 to March 2010.	21 st of every month	Not yet paid (refer note 14 to Annexure IVC)

B. 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 assets.*

(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 or 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 (₹)	Period to which the amount relates	Due Date	Date of Payment
ESIC Act	ESIC	23,909,128	April 2005 to March 2009	21 st of every month	Not yet paid
ESIC Act	ESIC	4,018,678	April 2009 to Sep 2009	21 st of every month	Not yet paid

5. 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 year 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 31st 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 Policies 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. Audit report modifications for the year ended March 31, 2007

In the audit reports for years March 31, 2007, the auditor had modified the report and included certain comments as specified in the below paragraphs.

Clause vi of the Audit Report for 2006-07 states that:

"In our opinion and to the best of our information and according to the explanations given to us read with note-9 of schedule-R regarding change in accounting policy and its impact on the profits of the Company and note-10 regarding non-provisioning for dividend on preference shares, 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 31st March, 2007 and
- (b) In case of the Profit and Loss Account, of the profit for the year ended on that date."

Note-9 of Schedule-R mentioned in the above clause reads as follows:

"During the year the company has changed its policy towards recognizing revenue and deferred expenses related to publication of yellow pages. Hitherto, the company was recognizing the revenue on 'completion basis'. However, during the period under review the Company has recognized the revenue on receipt basis"

Note-10 of Schedule-R mentioned in the above clause reads as follows:

"The Company has not provided for dividends on preference shares since the same is not payable now"

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, 2007, the comment drawing reference to Note 9 of Schedule- R is not qualificatory in nature rather trying to draw the attention to relevant fact of change in

treatment of Accounting Policies.

In the audit reports for years ended March 31, 2007, the comment drawing reference to Note 10 of Schedule- R is not qualificatory in nature rather trying to draw the attention to the relevant fact that the preference shares are cumulative in nature and the liability is contingent in nature”.

C. CARO clauses not commented upon by previous auditor

In the audit reports for years ended March 31, 2009, 2008 and 2007, 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 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 years ended March 31, 2011, 2010, 2009, 2008 and 2007:

1. Background

Just Dial Private 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).

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 restated unconsolidated summary statement of assets and liabilities of the Company as at March 31, 2011, 2010, 2009, 2008 and 2007 and the related restated unconsolidated summary statement of profits and losses and cash flows for the years ended March 31, 2011, 2010, 2009, 2008 and 2007 (herein collectively referred to as 'Restated unconsolidated summary statements') relate to the Company 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.

These restated unconsolidated summary statement 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').

2. Statement of significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared 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 have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

2.2 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.

2.3 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.

2.4 Depreciation

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 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.

2.5 *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 recognized 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.

2.6 *Intangible assets*

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

2.7 *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 recognized as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

2.8 *Investments*

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are

carried at lower of cost and fair value determined on an individual investment basis. Long-term 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.

2.9 *Revenue recognition*

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

2.9.1 Income from services

Revenues from tenure based contracts and reseller contracts are recognized pro-rata over the contract period.

Revenues from lead based contracts are recognized as per provision of leads to the customer.

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 prorated over a period of 12 months.

Revenue from yellow pages publication services are recognized as per the availability of yellow pages directory to the public for accessing information.

2.9.2 Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

2.9.3 Dividends

Revenue is recognized when the shareholders' right to receive payment is established by the balance sheet date. **2.10 *Foreign currency translation***

2.10.1 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.

2.10.2 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.

2.10.3 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 year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

2.11 *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 Profit and Loss Account 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.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation as at year end. The actuarial valuation is done as per projected unit credit method.

Actuarial gains/losses are immediately taken to Profit and Loss Account and are not deferred.

2.12 *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 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 the Company has 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 the Company re-assesses unrecognized deferred tax assets. It recognizes 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. 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 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

2.13 *Employee stock compensation cost*

Measurement and disclosure of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

2.14 *Segment reporting*

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.

2.15 *Earnings per share*

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and related attributable taxes) by the weighted average number of equity shares outstanding during the period. 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 period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.16 Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

2.17 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.

3. Amalgamation of R.R.R Computech (India) Private Limited with the Company

During the year ended March 31, 2007, the Company has entered into a scheme of Arrangement for the amalgamation of R.R.R Computech (India) Private Limited. This scheme of arrangement was approved by the High Courts of Bombay and Hyderabad vide their orders dated February 9, 2007 and February 22, 2007, respectively.

Accordingly, all assets and liabilities of erstwhile R.R.R Computech (India) Private Limited are recorded by the Company under purchase method:

- a. The difference between the carrying value of investment in and value of net assets acquired under the Scheme of arrangement, ₹ 128.38 million has been debited to Securities Premium account.
- b. The Company has issued 282,304 fully paid-up equity shares to the shareholders holding 503,067 fully paid equity shares of transferor company and cash payment was paid to specified shareholders in terms of scheme of amalgamation.

4. Investment in subsidiaries

The Company has invested in Just Dial Inc, a wholly owned subsidiary company, and the balance outstanding investments are ₹ 22.51 million, ₹ 22.51 million, ₹ 13.69 million, ₹ 13.69 million and ₹13.69 million in the years ended March 31, 2011, 2010, 2009, 2008 and 2007, respectively.

The Company has given loans to Just Dial Inc and the balance outstanding are ₹ 34.07 million, ₹ 0.09.million, ₹ 4.28 million, ₹ 0.60 million and ₹ Nil in the years ended March 31, 2011, 2010, 2009, 2008 and 2007, respectively. Just Dial Inc is in the initial years of its commercial operations and have accumulated losses (as per their latest audited financial statements for the year ended March 31, 2011) aggregating to ₹ 21.61 million.

Subsequent to the year end, the Company sold the shares of Just Dial Inc to Just Dial Global Private Limited ('JD Global') for a consideration of ₹ 22.03 million.

5. Details of preference shares issued during the years ended March 31, 2009, 2008 and 2007

- 5.1 Issued 207,806 6% Cumulative redeemable optionally convertible preference shares (Series A) of face value ₹ 10 per share for a price of ₹ 2,632.01 per share on October 16, 2006.
- 5.2 Issued 34,169 6% Cumulative redeemable optionally convertible preference shares (Series A) of face value ₹ 10 per share for a price of ₹ 4,594.87 per share on June 22, 2007.
- 5.3 Issued 8,713 6% Cumulative redeemable optionally convertible preference shares (Series A) of face value ₹ 10 per share for a price of ₹ 4,607.25 per share on July 3, 2007.
- 5.4 Issued 1,798 6% Cumulative redeemable optionally convertible preference shares (Series A) of face value ₹ 10 per share for a price of ₹ 4,607.25 per share on July 3, 2007.
- 5.5 Issued 1, 0.1% Cumulative redeemable optionally convertible preference (Series B) share of face value ₹ 10 per share for a price of ₹ 10 per share on July 3, 2007.

6. Buy-back of shares

During the year ended March 31, 2007, the Company in terms of buy back scheme, bought back 61,250 and 26,214 equity shares at a price of ₹ 2,574 and ₹ 2,651 per equity share having a face value of ₹ 10 per share. Since the buy back was made out of existing free reserves, the Company has transferred ₹ 0.87 million to capital redemption reserve during the year ended March 31, 2007.

7. 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 ₹ 19.87 million as at March 31, 2011, ₹ 8.64 million as at March 31, 2010 and ₹ Nil as at March 31, 2009, March 31, 2008 and March 31, 2007.

8. 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 following tables summarize the components of net benefit expense recognized in the Profit and Loss Account and the funded status and amounts recognized in the balance sheet for the respective plans.

Profit and Loss Account

Net employee benefit expenses (recognised in Employee Cost)

	₹ in million				
Gratuity	2010-11	2009-10	2008-09	2007-08	2006-07
Current service cost	5.13	3.79	1.94	2.79	1.48
Interest cost on benefit obligation	1.08	0.77	0.49	0.74	0.41
Expected return on plan assets	(1.68)	(1.08)	(0.70)	(0.48)	(0.25)
Net actuarial (gain) / loss recognized in the year	1.67	0.24	1.64	(1.02)	0.77
Net Benefit expense	6.20	3.72	3.37	2.03	2.41
Actual Return on Plan Assets	1.68	1.08	0.70	0.48	0.25

Balance Sheet

	₹ in million				
Gratuity	2010-11	2009-10	2008-09	2007-08	2006-07

Gratuity	2010-11	2009-10	2008-09	2007-08	2006-07
Defined benefit obligation	20.49	13.55	9.67	6.11	4.10
Fair value of plan assets	29.10	16.49	7.76	6.80	5.59
Plan asset/(liability)	8.61	2.94	(1.91)	0.69	1.49
Gratuity	2010-11	2009-10	2008-09	2007-08	2006-07
Opening defined benefit obligation	13.55	9.67	6.11	4.10	1.62
Interest cost	1.08	0.77	0.49	0.74	0.41
Current service cost	5.13	3.79	1.94	2.79	1.48
Less: benefits paid	(0.94)	(0.92)	(0.51)	(0.50)	(0.18)
Actuarial (gains) / losses on obligation	1.67	0.24	1.64	(1.02)	0.77
Closing defined benefit obligation	20.49	13.55	9.67	6.11	4.10

₹ in million

Gratuity	2010-11	2009-10	2008-09	2007-08	2006-07
Opening fair value of plan assets	16.49	7.76	6.80	5.59	2.21
Expected return	1.68	1.08	0.70	0.48	0.25
Contributions by employer	11.87	8.57	-	2.85	3.31
Less: benefits paid	(0.94)	(0.92)	(0.51)	(0.50)	(0.18)
Less: Actuarial gains/(losses)	-	-	0.77	(1.62)	-
Closing fair value of plan assets	29.10	16.49	7.76	6.80	5.59

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	Gratuity				
	2010-11	2009-10	2008-09	2007-08	2006-07
	(%)	(%)	(%)	(%)	(%)
Investments with insurer	100	100	100	100	100

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Assumptions:

	2010-11	2009-10	2008-09	2007-08	2006-07
Discount Rate	8.00%	8.00%	8.00%	8.00%	7.95%
Salary Escalation	5.00%	5.00%	5.00%	7.00%	7.00%
Withdrawal Rate	1-3% depending on age	1-3% depending on age	1-3% depending on age	1-3% depending on age	1-3% depending on age

Experience adjustments:

Amounts for the current and previous four periods are as follows:

₹ in million

	2010-11	2009-10	2008-09	2007-08	2006-07
Defined benefit obligation	20.49	13.55	9.67	6.11	4.10
Plan assets	29.10	16.49	7.76	6.80	5.59
Surplus/ (deficit)	8.61	2.94	(1.91)	0.69	1.49
Experience adjustment on plan liabilities	1.67	0.24	0.94	(0.98)	1.17
Experience adjustment on plan assets	-	-	-	(0.02)	-

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.

9. 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:

₹ in million

Particulars	2010-11	2009-10	2008-09	2007-08	2006-07
Lease payments for the year	90.68	70.51	40.84	34.32	25.34
Minimum Lease Payments :					
Not later than one year	103.34	69.36	27.88	32.29	32.83
Later than one year but not later than five years	327.07	237.06	73.96	29.67	57.17
Later than five years	119.07	113.92	25.64	6.05	8.32

10. Deferred tax assets

₹ in million

Timing difference on account of	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	Deferred tax assets/ (liability) as at March 31, 2007
Deferred tax liability					
Difference between tax depreciation and book depreciation	(7.16)	(11.68)	(11.49)	(8.81)	(2.71)
Subtotal (A)	(7.16)	(11.68)	(11.49)	(8.81)	(2.71)
Deferred tax assets					
Expenditure debited to Profit and Loss Account the respective years but allowable in tax returns in subsequent years	16.73	14.71	9.20	7.03	3.76
Revenue taxed on receipt basis	1.17	4.38	129.16	115.00	78.91
Preliminary Expense	1.69	-	-	-	-
Carried forward losses	-	20.48	-	-	-
Subtotal (B)	19.59	39.57	138.36	122.03	82.67
Total (A+B)	12.43	27.89	126.87	113.22	79.96

11. Earnings per share ('EPS')

The calculations of earnings per share are based on the net profit and number of shares as computed below:

₹ in million (except EPS in ₹)

	2010-11	2009-10	2008-09	2007-08	2006-07
Net profit as per profit and loss account as restated	288.25	193.25	75.41	20.89	17.88
Less: Dividends on convertible preference shares & tax thereon	43.16	52.81	52.81	49.21	17.60
Net profit for calculation of basic	245.09	140.44	22.60	(28.32)	0.28

EPS					
Weighted number of equity shares for calculating basic EPS	51,591,690	47,948,208	47,948,208	47,948,208	54,188,400
Basic EPS	4.75	2.93	0.47	(0.59)	0.01
Weighted number of equity shares for calculating diluted EPS	62,731,629	47,962,181	47,955,239	-	-
Diluted EPS	4.58	2.93	0.47	(0.59)	0.01

Note: The Company has 252,486 (2009-10: 252,486, 2008-09: 252,486, 2007-08: 252,486, 2006-07: 207,806) 6% cumulative convertible preference shares and 1 (2009-10: 1, 2008-09: 1, 2007-08: 1 and 2006-07: 1) 0.1% non-cumulative convertible preference shares outstanding as at March 31, 2011. However, this has not been considered for diluted EPS for the years ended March 31, 2010, 2009, 2008 and 2007 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 and 2007 as they are anti-dilutive in nature.

12. Directors' remuneration

	₹ in million				
	2010-11	2009-10	2008-09	2007-08	2006-07
Salaries	11.57	6.85	6.87	6.87	6.47
Commission to whole-time Directors	8.82	7.91	2.61	2.85	2.44
Perquisites	0.05	0.14	0.12	0.12	0.05
Contribution to provident fund	0.43	0.26	0.26	0.26	0.20
	20.87	15.16	9.86	10.10	9.16

Note: As the liabilities for Gratuity and Leave Encashment are provided on actuarial basis for the Company as a whole, the amounts pertaining to the directors are not included above.

13. Details of dues to Micro and Small Enterprises as per MSMED Act, 2006.

The Company does not have suppliers who are registered as micro, small or medium enterprise under the Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2011, 2010, 2009, 2008 and 2007. The information regarding micro, small and medium enterprises has been determined on the basis of information available with the management.

14. 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 ₹ 6.53 million was assessed up to September 2010. The order, however, states that it is issued without prejudice to the 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 ₹ 32.13 million and continues to carry provision of ₹ 30.25 million, as at March 31, 2011 for the 5 years ended March 31, 2010 in the books of accounts based on internal estimates and as per the provisions of the ESIC Act, which should be adjusted/ settled on completion of the assessment. The Company has also deposited the amount of ₹ 4.47 million under protest.

15. Employee stock option plans:

The Company has provided various share-based payment schemes to its employees. During the last five years ended March 31, 2011, 2010, 2009, 2008 and 2007, the following schemes were in operation:

	Pool	Date of grant	Date of board/ shareholders' approval	Number of options granted	Vesting period	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% 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
ESOP scheme 2010	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 ₹ 10 have been summarized below:

	Number of options				
	2010-11	2009-10	2008-09	2007-08	2006-07
Outstanding at the beginning of the year	5,648	6,023	6,623	7,073	-
Granted during the year	-	-	-	-	9,400
Forfeited during the year	-	375	600	450	-
Exercised during the year	5,648	-	-	-	2,327
Outstanding at the end of the year	-	5,648	6,023	6,623	7,073
Exercisable at the end of the year	-	5,648	3,673	1,927	-

	Number of options				
	2010-11	2009-10	2008-09	2007-08	2006-07
Weighted average remaining contractual life (in years)	-	3	4	5	6
Weighted average fair value of options granted on the date of grant	1,693	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 ₹ 4,595 have been summarized below:

	Number of Options				
	2010-11	2009-10	2008-09	2007-08	2006-07
Outstanding at the beginning of the year	11,170	11,170	-	-	-
Granted during the year	-	-	11,170	-	-
Outstanding at the end of the year	11,170	11,170	11,170	-	-
Exercisable at the end of the year	3,351	1,117	-	-	-
Weighted average remaining contractual life (in years)	5	6	7	-	-
Weighted average fair value of options granted on the date of grant	48	48	-	-	-

The details of activity under Pool 3 of ESOP Scheme 2008 with weighted average exercise price of ₹ 4,500 have been summarized below:

	Number of options				
	2010-11	2009-10	2008-09	2007-08	2006-07
Outstanding at the beginning of the year	400	-	-	-	-
Granted during the year	-	400	-	-	-
Outstanding at the end of the year	400	400	-	-	-
Exercisable at the end of the year	40	-	-	-	-
Weighted average remaining contractual life (in years)	6	7	-	-	-
Weighted average fair value of options granted on the date of grant	531	531	-	-	-

The details of activity under Pool 4 of ESOP Scheme 2008 with weighted average exercise price of ₹ 10 have been summarized below:

	Number of options				
	2010-11	2009-10	2008-09	2007-08	2006-07
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 ₹ 80

have been summarized below:

	Number of options				
	2010-11	2009-10	2008-09	2007-08	2006-07
Outstanding at the beginning of the year	-	-	-	-	-
Granted during the year	82,936	-	-	-	-
Outstanding at the end of the year	82,936	-	-	-	-
Weighted average remaining contractual life (in years)	7	-	-	-	-
Weighted average fair value of options granted	37	-	-	-	-

The details of activity under Pool 6 of ESOP Scheme 2010 with weighted average exercise price of ₹ 69 have been summarized below:

	Number of options				
	2010-11	2009-10	2008-09	2007-08	2006-07
Outstanding at the beginning of the year	-	-	-	-	-
Granted during the year with exercise price of ₹ 10	155,176	-	-	-	-
Granted during the year with exercise price of ₹ 80	789,563	-	-	-	-
Outstanding at the end of the year	944,739	-	-	-	-
Weighted average remaining contractual life (in years)	7	-	-	-	-
Weighted average fair value of options granted	44	-	-	-	-

Effect of the employee share-based payment plans on the profit and loss account and on its financial position:

₹ in million					
Particulars	2010-11	2009-10	2008-09	2007-08	2006-07
Total employee compensation cost pertaining to share based payment plans (all equity settled)	3.24	13.97	2.55	6.14	3.93
Employee compensation cost transferred to Share Premium in the respective years	22.67	-	-	-	3.93
Liability for employee stock option outstanding as at year end	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 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:

₹ in million (except EPS in ₹)					
Particulars	2010-11	2009-10	2008-09	2007-08	2006-07

Particulars	2010-11	2009-10	2008-09	2007-08	2006-07
Profit as per restated unconsolidated financials	288.25	193.25	75.41	20.89	17.88
Less: Dividends on convertible preference shares & tax thereon	43.16	52.81	52.81	49.21	17.60
Add: Employee stock compensation under intrinsic value method	3.24	13.97	2.55	6.14	3.93
Less: Employee stock compensation under fair value method	9.65	15.01	5.12	12.54	7.64
Proforma profit	238.68	139.40	20.03	(34.72)	(3.43)
Earnings per share					
Basic earnings per share					
As reported	4.75	2.93	0.47	(0.59)	0.01
Proforma	4.60	2.91	0.42	(0.72)	(0.06)
Diluted earnings per share					
As reported	4.58	2.93	0.47	(0.59)	0.01
Proforma	4.47	2.91	0.42	(0.72)	(0.06)

Stock Options granted						
The weighted average fair value of stock options granted during the year 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 (₹) (Refer Note 1)	85	85	85	2100	2100	2600
Exercise Price (₹)	80	10	80	10	4,500	4,595
Expected Volatility	-	-	-	-	-	-
Historical Volatility	-	-	-	-	-	-
Life of the options granted (Vesting and exercise period) 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 price 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.

16. Expenditure in foreign currency (accrual basis)

₹ in million

Particulars	2010-11	2009-10	2008-09	2007-08	2006-07
Travel Expenses	1.21	1.21	0.37	3.29	0.66
Communication expenses	1.68	0.25	0.12	-	-
Advertisement Expense	1.77	-	-	-	-
Others	1.05	1.04	0.03	-	-
Total	5.71	2.50	0.52	3.29	0.66

17. Contingent liabilities not provided for

₹ in million

	2011	2010	2009	2008	2007
Income tax demands: Income tax in respect of Assessment years 2003-04, 2006-07, 2007-08 and 2008-09 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.	11.53	7.97	7.13	2.39	2.39
Preference dividend: Cumulative dividend on 6% optionally convertible cumulative preference shares (includes dividend distribution tax of 2010-11 ₹ 31.23 million, 2009-10 – ₹ 24.96 million, 2008-09 – ₹ 17.29 million, 2007-08 ₹ 9.70 million and 2006-07 – ₹ 2.56 million)	215.00	171.84	119.03	66.81	17.60

18. Value of imports calculated on CIF basis

₹ in million

	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Capital goods	29.85	-	-	-	-
	29.85	-	-	-	-

19. Earning in foreign currency (accrual basis)

₹ in million

	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Interest Income	0.75	-	-	-	-
	0.75	-	-	-	-

20. Unhedged foreign Currency Exposure

Particulars of un-hedged foreign currency exposure as at the Balance Sheet date

₹ in million

	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Loan to Subsidiary - Just Dial Inc., Delaware	34.07	0.90	-	-	-
Investment in subsidiary – Just Dial Inc – Delaware	22.51	22.51	-	-	-
Investment in subsidiary – Just Dial Inc - Florida	-	-	13.69	13.69	13.69
	56.58	23.41	13.69	13.69	13.69

21. 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 ₹ 5.25 million to the Company with effect from April 1, 2010. Further, during the year ended March 31, 2011 the Company invested ₹ 144.76 million in 306,495, 6% cumulative redeemable (optionally convertible) preference shares of ₹ 10 each.

22. Subsequent events to March 31, 2011

22.1 Additional investment in JD Global

Subsequent to the year ended, the Company has invested ₹ 580 million in 305,263, 0.01% cumulative redeemable (optionally convertible) preference shares of ₹ 10 each of JD Global.

22.2 Demerger of part of testing service business undertaking

Subsequent to the year ended March 31, 2011, the Board of Directors approved the demerger of the IT related testing business and the Company's preference share investment in JD Global (₹ 144.76 million as at March 31, 2011 and additional investment of ₹ 580 million from April 1, 2011 to June 30, 2011) to JD Global and approved the scheme of arrangement ('the Scheme') under section 391 to 394 read with section 78 and sections 100 to 103 of Companies Act, 1956. The Scheme was filed with the High Court of Bombay in May 11, 2011 and as per the terms of the Scheme, the business and investments, described above will be transferred to JD Global from the appointed date of July 1, 2011.

As per the Scheme, the carrying value of the assets and liabilities of the IT related testing business and investment by the Company till June 30, 2011 in JD Global will be adjusted against the balance in the Securities Premium Account, to the extent of the balance, followed by the General Reserve Account and the balance, if any, against the balance in Profit and Loss Account of the Company.

As a consideration for transfer, the shareholders of the Company, as on July 1, 2011, will receive, on a fully convertible basis on record date, 1 compulsorily convertible preference share of ₹ 10 each or equivalent number of equity shares based on the original entitlement on conversion for every optionally convertible preference share held by the Company in JD Global.

22.3 Increase in share capital

On May 31, 2011 Company has allotted 968,060, 6% compulsory convertible non cumulative preference shares. The authorized share capital has been accordingly increased.

23. Income from operations include revenue from search related services ₹ 1,839.33 million, 1,160.62 million, ₹ 735.39 million, 510.18 million and ₹ 347.89 million for the years ended March 31, 2011, 2010, 2009, 2008 and 2007, respectively and revenue from yellow pages publication services were ₹ Nil, ₹ 148.45 million, ₹ 123.83 million ₹ 185.69 million, and ₹ 136.36 million for the years ended March 31, 2011, 2010, 2009, 2008 and 2007 respectively. The related printing and publication expenses were ₹ Nil, ₹ 19.99 million, ₹ 38.22 million, ₹ 36.99 million and ₹ 27.99 million for the years ended March 31, 2011, 2010, 2009, 2008 and 2007 respectively.

24. Information pursuant to paragraphs 3, 4, 4A, 4B, 4C and 4D of Schedule VI

The Company is primarily engaged in the business of providing information search services. The production and sale of such services is not capable of being expressed in any generic unit. Hence, other information pursuant to the provisions of the paragraph 3, 4C and 4D of Part II to Schedule VI of the Companies Act, 1956 are not applicable to the Company

For S. R. Batliboi & Associates
Firm Registration. No.: 101049W
Chartered Accountants

per Govind Ahuja
Partner
Membership No. 48966
Place : Mumbai
Date:

Annexure V - Restated Unconsolidated Statement of Reserves and Surplus

₹ in million

Particulars	As at				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
A. Securities premium account					
Balance at the beginning of the year	381.70	381.70	381.70	180.64	-
Add: Receipt on issue of preference shares	-	-	-	204.98	544.88
Add: Receipt on issue of equity shares	4.40	-	-	-	-
Add: Premium on issue of ESOP	22.67	-	-	-	3.93
Less: Goodwill on merger (Refer Note 3 of Annexure IVC)	-	-	-	-	128.38
Less: Buyback adjustment (Refer Note 6 of Annexure IVC)	-	-	-	-	226.28
Less: Preference share issue expenses	-	-	-	3.92	13.51
Less: Utilized for bonus shares issued	404.37	-	-	-	-
Balance at the end of the year	4.39	381.70	381.70	381.70	180.64
B. Profit and Loss Account					
Balance carried forward from Profit and Loss Account	491.93	203.68	10.43	(52.86)	(61.80)
Less: Utilized for bonus shares issued	66.49	-	-	-	-
Balance at the end of the year	425.44	203.68	10.43	(52.86)	(61.80)
C. Capital Redemption Reserve					
Balance at the beginning of the year	0.87	0.87	0.87	0.87	-
Add: Transferred from Profit and Loss Account	-	-	-	-	0.87
Less: Utilized for bonus shares issued	0.87	-	-	-	-
Balance at the end of the year	-	0.87	0.87	0.87	0.87
D. General Reserve					
Balance as at beginning of the year	37.43	37.43	25.31	15.96	9.44
Add: Transferred from Profit and Loss Account	-	-	12.12	9.35	6.52
Less: Utilized for bonus shares issued	37.43	-	-	-	-
Balance at the end of the year	-	37.43	37.43	25.31	15.96
Total (A+B+C+D)	429.83	623.68	430.43	355.02	135.67

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 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 Unconsolidated Statement of Investments
₹ in million

Particulars	As at				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Long term investments					
A. Investments in Subsidiary Companies					
Unquoted Investments:					
(i) In Equity shares of Just Dial Inc (Delaware, USA) - 1000 (Year 2009-10 - 1000, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) equity shares of USD 0.01 each	22.51	22.51	-	-	-
(ii) In Equity shares of Just Dial Inc (Florida - USA) - Nil (Year 2009-10 - Nil, 2008-09, 2007-08 & 2006-07 - 150) equity shares of USD 0.01 each	-	-	13.69	13.69	13.69
(iii) In Equity shares of Just Dial Global Private Limited (525,000 equity shares of ₹ 10 each)	-	5.25	-	-	-
Sub total - A	22.51	27.76	13.69	13.69	13.69
B. Investments in enterprises owned or significantly influenced by Key Management Personnel or their relatives					
Unquoted Investments:					
(a) 306,495 (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) Optionally Convertible Preference Shares @ ₹ 472.30/- per share. in Just Dial Global Private Limited (Refer Note 21 of Annexure IVC)	144.76	-	-	-	-
Sub total - B	144.76	-	-	-	-
C. Current investments - other than trade unquoted (at lower of cost and market value)					
Unquoted Investments:					
(a) Nil (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - 3,206, 2006-07 - Nil) units of Pru ICICI Liquid Plan inst liquid daily dividend	-	-	-	0.03	-
(b) Nil (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - 10,369,616, 2006-07 - Nil) units of DWS Money Plus Fund Institutional Plan-Weekly	-	-	-	104.10	-
(c) Nil (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - 10,180,690.35, 2006-07 - Nil) units of DWS Credit Opportunities Cash Fund Regular Plan Monthly	-	-	-	102.87	-
(d) Nil (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - 3,245, 2006-07 - Nil) units of ICICI Pru Inst Liq- Daily Dividend	-	-	-	0.03	-
(e) Nil (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - 15,000,000, 2006-07 - 15,000,000) units of Standard Chartered Fixed Maturity Plan Yearly Series 2	-	-	-	150.00	150.00

Particulars	As at				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Growth					
(f) Nil (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - 927, 2006-07 - Nil) units of Sundaram BNP Paribas Liquid Plus Super Institutional Dividend	-	-	-	0.01	-
(g) Nil (Year 2009-10 - Nil, 2008-09 - 5,000,000, 2007-08 - 5,000,000, 2006-07 - Nil) units of Templeton Fixed Horizon Fund Series VII - Plan C - Institutional units	-	-	50.00	50.00	-
(h) Nil (Year 2009-10 - 5,123,409, 2008-09 - 4,858,795, 2007-08 - Nil, 2006-07 - Nil) units of Birla Sun Life Dynamic Bond Fund-Retail Plan-Monthly Dividend	-	53.35	50.72	-	-
(i) Nil (Year 2009-10 - 5,292,729, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of Birla Sun Life Dynamic Bond Fund-Retail	-	55.11	-	-	-
(j) Nil (Year 2009-10 - Nil, 2008-09 - 5,122,097, 2007-08 - Nil, 2006-07 - Nil) units of Birla SunLife FMP-Series1- Annual Dividend Reinvestment	-	-	51.22	-	-
(k) Nil (Year 2009-10 - Nil, 2008-09 - 5,154,010, 2007-08 - Nil, 2006-07 - Nil) units of Birla Sunlife Short Term Fund-Institutional Daily Dividend	-	-	51.57	-	-
(l) Nil (Year 2009-10 - 9,640,176, 2008-09 - 3,184,611, 2007-08 - Nil, 2006-07 - Nil) units of Fortis Money Plus Institutional Plan Daily Dividend	-	96.42	31.85	-	-
(m) Nil (Year 2009-10 - Nil, 2008-09 - 2,824,544, 2007-08 - Nil, 2006-07 - Nil) units of HDFC CMF-Treasure Advantage Plan Wholesale -Dividend	-	-	30.04	-	-
(n) Nil (Year 2009-10 - 8,926,486, 2008-09 - 2,039,866, 2007-08 - Nil, 2006-07 - Nil) units of HDFC CMF-Saving Plan Daily Dividend Reinvestment	-	89.55	20.46	-	-
(o) Nil (Year 2009-10 - Nil, 2008-09 - 48,47,403, 2007-08 - Nil, 2006-07 - Nil) units of HDFC Short Term Plan- Dividend - Option Reinvestment	-	-	50.00	-	-
(p) Nil (Year 2009-10 - 6,429,310, 2008-09 - 3,891,469, 2007-08 - Nil, 2006-07 - Nil) units of Reliance Medium Term Fund - Weekly Dividend Plan	-	109.94	66.61	-	-
(q) Nil (Year 2009-10 - 8,465,614, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of Reliance Regular Savings Fund-Debt Option	-	102.53	-	-	-
(r) Nil (Year 2009-10 - 5,362,896, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units	-	53.67	-	-	-

Particulars	As at				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
of units of Birla Sun Life Saving Fund-Institutional Daily Dividend					
(s) Nil (Year 2009-10 - 2,920,163, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of ICICI Prudential Blended Plan-A	-	30.00	-	-	-
(t) Nil (Year 2009-10 - 6,098,135, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of IDFC Money Manager Fund-Investment Plan	-	61.07	-	-	-
(u) Nil (Year 2009-10 - 3,665,525, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of Kotak Equity Arbitrage Fund	-	38.71	-	-	-
(v) Nil (Year 2009-10 - 3,250,000, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of UTI FMP-Quarterly Series-Dividend Option	-	32.50	-	-	-
(w) 1,646,940 (Year 2009-10 - 1,646,940, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of Birla Sun Life MIP 2 Saving 5-Growth Option	27.00	27.00	-	-	-
(x) 1,873,092 (Year 2009-10 - 1,873,092, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of HDFC MF Monthly Income Plan-Short Term-Growth	30.00	30.00	-	-	-
(y) 61,329 (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of Birla Sunlife Cash Manager-IP Daily Dividend	28.11	-	-	-	-
(z) 5,650,629 (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of Birla Sun Life QRT Series 4-Dividend Payout	56.52	-	-	-	-
(aa) 3,042,699 (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of Birla Sunlife Ultra Short Term Fund-Inst DD	30.44	-	-	-	-
(ab) 10,073,455 (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of BNP Overnight Fund-Inst Daily Dividend	100.76	-	-	-	-
(ac) 11,000,000 (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of HDFC FMP 370D Nov 2010 (1)	110.00	-	-	-	-
(ad) 5,000,000 (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of ICICI Pru FMP Series 54- 18 Months Plan A	50.00	-	-	-	-
(ae) 7,000,000 (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of IDFC Fixed Maturity Plan 100 Days - Dividend	70.00	-	-	-	-

Particulars	As at				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
(af) 5,000,469 (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of Kotak Credit Opportunities-Growth	50.00	-	-	-	-
(ag) 2,266,990 (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of Principal Cash Management Fund-Dividend Reinvest	22.67	-	-	-	-
(ah) 5,000,000 (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of Reliance Fixed Horizon Fund- XVI Series 3	50.00	-	-	-	-
(ai) 1,500,000 (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of Reliance Fixed Horizon Fund XVIII Series 6-Grow	15.00	-	-	-	-
(aj) 9,583,560 (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of Reliance Fixed Horizon Fund-XVIII Series 6 DP	95.84	-	-	-	-
(ak) 7,000,000 (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of Reliance Fixed Horizon XIV Series 11 Growth Opt	70.00	-	-	-	-
(al) 2,263,058 (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of Reliance Quarterly Interval Fund -Series	29.88	-	-	-	-
(am) 5,529,918 (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of Templeton India Income Opportunity Fund	57.50	-	-	-	-
(an) 7,198,051 (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of UTI Dynamic Bond-Dividend Reinvest	72.27	-	-	-	-
(ao) 4,802,049 (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of UTI Short Term Income Fund-IP-Dividend Reinvest	48.96	-	-	-	-
Total Current Unquoted Investments (C)	1,014.95	779.85	402.47	407.04	150.00
Total Investments (A+B+C)	1,182.22	807.61	416.16	420.73	163.69

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 Sundry Debtors (Unsecured)

₹ in million

Particulars	As at				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Debts outstanding for a period exceeding six months					
- Considered Good	-	-	0.04	-	0.11
Other debts (less than six months)					
- Considered Good	0.60	0.35	0.65	7.71	1.48
Total	0.60	0.35	0.69	7.71	1.59

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 VIII - Restated Unconsolidated Statement of Loans and Advances

₹ in million

Particulars	As at				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Unsecured, considered good					
Advances and loans to subsidiaries	34.07	1.36	4.28	0.60	-
Advances recoverable in cash or kind or for value to be received	61.18	19.03	30.43	10.66	18.62
Prepaid Gratuity	8.61	2.94	-	0.69	1.49
Deposits	73.62	50.56	33.61	24.41	21.61
Service tax input credit	11.03	3.25	4.43	1.65	-
Advance taxes [net of provision for taxation ₹ 282.55 million (2009-10 - ₹ 162.63 million)]	44.78	30.93	-	-	-
		-	-	-	-
Total	233.29	108.07	72.75	38.01	41.72

Amounts due from Promoters / Promoter Group / Relatives of Directors / Subsidiary Companies / Associate Companies

₹ in million

Particulars	As at				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Rent Deposit - Mr. V. S. S. Mani	0.93	0.93	-	-	-
Rent Deposit - Mrs. Anita Mani	0.93	0.93	-	-	-
Loan to Just Dial Inc	34.07	0.90	-	-	-

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) Included in advances recoverable in cash due from entities under same management is ₹ 10.21 million (2009-10 - ₹ 0.46 million, 2008-09, 2007-08 and 2006-07 - ₹ Nil).
- 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 Secured and Unsecured Loans

Secured Loans

₹ in million

Particulars	As at				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Term Loans					
- Vehicle loans	3.16	4.71	0.29	1.19	2.63
(Secured against hypothecation of Motor Car for period of three years)					
Due within one year (₹ 1.67 million, 2009-10 - ₹ 1.55 million, 2008-09 - ₹ 0.29 million, 2007-08 - ₹ 0.90 million, 2006-07 - ₹ 1.44 million)					
	3.16	4.71	0.29	1.19	2.63
Rate of Interest (on vehicle loans)	8.85%	8.85%	7.91%	7.91%	7.91%

Unsecured Loans

₹ in Million

Particulars	As at				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Loans	-	-	-	-	-
	-	-	-	-	-

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) Amounts, other than that covered in Annexure VIII, due from Promoters / Promoter Group / Relatives of Directors / Subsidiary Companies / Associate Companies are ₹ Nil for 2010-11, 2009-10, 2008-09, 2007-08 and 2006-07.

Annexure X - Restated Unconsolidated Statement of Current Liabilities and Provisions

₹ in million

Particulars	As at				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Current Liabilities					
Sundry creditors					
Total outstanding dues of creditors other than micro and small enterprises	76.35	29.98	13.02	27.05	15.95
Deferred revenue	678.45	413.19	383.40	344.29	241.87
Other liabilities	181.04	133.43	87.64	75.28	57.65
Sundry deposits	0.57	0.27	0.49	1.08	-
	936.41	576.87	484.55	447.70	315.47
Provisions					
Provision for tax [net of advance tax Nil(2009-10-Nil, 2008-09-₹ 34.67 million, 2007-08 - ₹ 41.70 million, 2006-07- ₹ 33.47 million)]	-	-	13.36	14.95	4.43
Gratuity	-	-	1.91	-	-
Compensated absences	20.59	13.16	14.92	8.41	5.83
Proposed dividend (including dividend distribution tax)	-	-	-	2.60	-
	20.59	13.16	30.19	25.96	10.26

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 XI - Restated Unconsolidated Statement of Other Income**₹ in million**

Particulars	For the year ended March 31					Nature: Recurring/ non- recurring	Related / Not related to business activity
	2011	2010	2009	2008	2007		
Interest on bank deposits	1.30	8.40	7.59	4.95	14.58	Recurring	Not related
Interest on loans	0.97	-	-	-	-	Non-recurring	Not related
Dividend on current investment	28.61	25.84	29.40	14.38	0.01	Recurring	Not related
Profit on sale of assets (net)	-	0.16	0.72	0.30	2.89	Non-recurring	Not related
Profit on sale of current investment (net)	2.78	3.07	19.73	-	-	Non-recurring	Not related
Miscellaneous Income	3.61	1.09	1.48	0.53	0.71	Non-recurring	Not related
	37.27	38.56	58.92	20.16	18.19		

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 statement of profits and losses 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 XII - Restated Unconsolidated Statement of Contingent Liabilities**₹ in million**

Particulars	As at				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Demand notices Income tax in respect of Assessment years 2003-04, 2006-07, 2007-08 and 2008-09 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	11.53	7.97	7.13	2.39	2.39
Preference dividend: Cumulative dividend on 6% optionally convertible cumulative preference shares (includes dividend distribution tax of 2010-11 ₹ 31.23 million, 2009-10 - ₹ 24.96 million, 2008-09 - ₹ 17.29 million, 2007-08 ₹ 9.70 million and 2006-07 - ₹ 2.56 million)	215.00	171.84	119.03	66.81	17.60
	226.53	179.81	126.16	69.20	19.99

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.

Annexure XIII - Restated Unconsolidated Statement of Dividend

(Amount in ₹ in million except share and per share data)

Particulars	For the year ended March 31					
	Face value	2011	2010	2009	2008	2007
Issued Subscribed and fully paid-up						
Class of shares						
Equity Share Capital	10	519.05	8.56	8.56	8.56	8.56
Cumulative Redeemable Preference Shares of Series - A	10	1.96	2.52	2.52	2.52	2.08
1 (One) Cumulative Redeemable Preference Shares of Series - B	10	0.00*	0.00*	0.00*	0.00*	-
		521.01	11.08	11.08	11.08	10.64
Dividend on equity shares						
Dividend in %		-	-	-	20.00%	117.18%
Proposed Dividend		-	-	-	1.71	-
Interim Dividend		-	-	-	-	10.03
Dividend Tax (Including surcharge)		-	-	-	0.29	1.41
Dividend paid on preference shares						
Dividend in %		-	-	-	20.10%	-
Preference dividend		-	-	-	0.51	-
Dividend Tax (Including surcharge)		-	-	-	0.09	-
Dividend payable on preference shares						
Preference dividend		183.77	146.88	101.74	57.10	15.04
Dividend Tax (Including surcharge)		31.23	24.96	17.29	9.70	2.56

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.

* Amount less than 0.01 million

Annexure XIV - Restated unconsolidated statement of Accounting Ratios

		₹ in million (except per share data in ₹)				
Particulars		For the year ended March 31				
		31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Basic earnings per share (₹)	A/B	4.75	2.93	0.47	(0.59)	0.01
Diluted earnings per share (₹)	A/C & A/C1	4.58	2.93	0.47	(0.59)	0.01
Net Profit after tax (after preference dividend and related tax) as restated attributable to equity shareholders	A	245.09	140.44	22.60	(28.32)	0.28
Weighted average no. of equity shares outstanding during the year (Refer Note 5 below)	B	51,591,690	47,948,208	47,948,208	47,948,208	54,188,400
Weighted average no. of equity shares (including ESOP) which should be considered for calculating Diluted EPS (Refer Note 6 below)	C	-	47,962,181	47,955,239	-	-
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	62,731,629	-	-	-	-
Net Profit after tax as restated	D	288.25	193.25	75.41	20.89	17.88
Net Worth (excluding preference share capital)	E	952.12	654.91	447.68	369.72	144.23
No. of equity shares outstanding at the end of the year (refer Note 4 below)	F	51,905,466	856,218	856,218	856,218	856,218
Return on Net Worth (%)	D / E *100	30.27%	29.51%	16.84%	5.65%	12.40%
Net asset value per equity share (₹)	E/F	18.34	764.88	522.85	431.81	168.45

1. The Ratios have been computed as below:

a) Basic Earnings per share before adjusting exceptional item (₹)

$$\frac{\text{Net profit after tax (as restated) attributable to shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$$

b) Diluted Earnings per share before adjusting exceptional item (₹)

$$\frac{\text{Net profit after tax (as restated)}}{\text{Weighted average number of diluted equity shares outstanding during the year}}$$

c) Return on net worth (%)

$$\frac{\text{Net profit after tax (as restated)}}{\text{Net worth at the end of the year excluding preference share capital}}$$

d) Net asset value per share (₹)

$$\frac{\text{Net worth at the end of the year excluding preference share capital}}{\text{Total number of equity shares outstanding at the end of the year}}$$

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 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 = Equity share capital + Reserves and surplus (including Capital Redemption Reserve, Securities Premium, General Reserve and surplus in Profit and Loss Account) + Stock options outstanding.
- 4) 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.
- 5) 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 24 April 2010. Weighted average number of equity shares outstanding during all the previous years have been considered accordingly.
- 6) The Company had 252,486 (2009-10: 252,486, 2008-09: 252,486, 2007-08: 252,486, 2006-07: 207,806) 6% cumulative convertible preference shares and 1 2009-10: 1, 2008-09: 1, 2007-08:1 and 2006-07:1) 0.1% non-cumulative convertible preference shares outstanding at the end of the year. However, this has not been considered for diluted EPS for the year 2009-10, 2008-09, 2007-08 and 2006-07 as they are anti-dilutive in nature. ESOP issued to employees has not been considered for the years 2006-07 and 2007-08 since they are anti-dilutive in nature.
- 7) 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.
- 8) The Company's IT testing business will get demerged and Investment made by the company in JD Global will get cancelled after the approval of the scheme of arrangement described in note 22.2 of Annexure IVC, pursuant to which reserves and surplus and correspondingly the net worth will stand reduced.
- 9) The figures disclosed above are based on the restated unconsolidated summary statements of the Company.

Annexure XV -Capitalisation Statement

₹ in million

Particulars	Pre IPO as at March 31, 2011	As adjusted for IPO (Refer note 2 below)
Debt		
Short term debt (A)	1.67	
Long term debt (B)	1.49	
Total debt (A+B)	3.16	
Shareholders' funds		
- Share Capital	519.05	
- Reserves and Surplus, as restated		
Share premium account	4.39	
Profit and loss account	425.44	
Total shareholders' funds (C)	948.88	
Long term debt / equity (B/C)	0.002: 1	

Notes

- 1) The above has been computed on the basis of the restated unconsolidated 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, 2011
- 4) On May 31, 2011 Company has allotted 968,060, 6% compulsory convertible non cumulative preference shares.
- 5) The Company's IT testing business will get demerged and Investment made by the company in JD Global will get cancelled after the approval of the scheme of arrangement described in note 22.2 of Annexure IVC, pursuant to which the Reserves and Surplus and correspondingly the net worth will stand reduced.

Annexure XVI -Restated Unconsolidated Tax Shelter Statement

₹ in million

	Particulars	For the year ended March 31				
		2011	2010	2009	2008	2007
A	Restated profit before tax	422.97	292.23	99.82	32.27	34.16
B	Tax rate	33.22%	33.99%	33.99%	33.99%	33.66%
C	Tax thereon at the above rate (A x B)	140.50	99.33	33.93	10.97	11.50
D	Permanent differences					
	Expenses disallowed under Income Tax Act	(3.24)	(13.97)	(9.08)	(8.72)	(6.75)
	Dividend - exempt under Income Tax Act	28.61	25.84	29.40	14.38	0.01
	Dividend disallowance	(5.15)	(2.97)	(0.02)	-	-
	Interest on self assessment tax	-	(1.23)	-	-	(0.45)
	Profit on sale of investments	1.53	(2.33)	19.73	(0.01)	(3.84)
	Total (D)	21.75	5.34	40.03	5.65	(11.03)
E	Timing differences					
	Difference in book depreciation and Depreciation under Income Tax Act 1961 ("I.T. Act")	(0.88)	(3.20)	8.10	8.94	3.66
	Expenses allowable on payment basis	(7.02)	(9.49)	(4.11)	(7.01)	(8.89)
	Exchange difference	(0.85)	(0.05)	-	-	-
	Expense on amalgamation	-	-	-	-	(0.12)
	Straight line of leases	(6.21)	(6.98)	0.38	(1.16)	(0.45)
	Profit on sale of assets	0.02	0.16	0.72	0.30	2.89
	Loss on discarding of assets	(12.29)	-	-	-	-
	Business losses set off as carried forward losses	60.23	(60.23)	-	-	-
	Revenue deferral	9.27	366.68	(48.75)	(97.61)	(54.15)
	Total	42.27	286.89	(43.66)	(96.54)	(57.06)
F	Net Adjustments (D + E)	64.02	292.23	(3.63)	(90.89)	(68.09)
G	Tax expense / (saving) thereon	21.26	99.33	(1.24)	(30.90)	(22.92)
H	Total tax on profits (C - G)	119.24	-	35.17	41.87	34.42

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 XVII - Restated Unconsolidated Statement of Related Party Disclosures

List of related parties

For the year ended					
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Subsidiaries	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			
Key Management Personnel	Mr. VSS Mani	Mr. VSS Mani	Mr. VSS Mani	Mr. VSS Mani	Mr. VSS Mani
	Mr. V. Krishnan	Mr. V. Krishnan	Mr. V. Krishnan	Mr. V. Krishnan	Mr. V. Krishnan
	Mr. Ramani Iyer	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	None	None	None	None

Annexure XVII - Restated Unconsolidated Statement of Related Party Disclosures (contd.)

Details of Transactions with Related Parties

(₹ in million)						
S. No	Particulars	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
	Transactions during the year					
1	Key Management Personnel					
	Remuneration					
	Mr V.S.S. Mani	2.40	2.40	2.40	2.31	1.87
	Mr Ramani Iyer	9.23	6.38	3.73	3.76	2.29
	Mr V. Krishnan	9.23	6.38	3.73	3.76	2.31
		20.86	15.16	9.86	9.83	6.47
	Lease rental paid					
	Mr V.S.S. Mani	2.29	2.17	1.25	1.22	1.11
		2.29	2.17	1.25	1.22	1.11
	Security deposit given					
	Mr V.S.S. Mani	-	0.93	-	-	-
		-	0.93	-	-	-
	Preference shares issued					
	Mr V.S.S. Mani	-	-	-	0.00*	-
		-	-	-	0.00*	-
2	Relatives of Key Management Personnel					
	Lease Rental paid					
	Mrs Anita Mani	2.29	2.17	1.25	1.22	1.11
		2.29	2.17	1.25	1.22	1.11
	Security deposit given					
	Mrs Anita Mani	-	0.93	-	-	-
		-	0.93	-	-	-
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	144.76	-	-	-	-
		144.76	-	-	-	-
	Loan given during the year					
	i) Just Dial Global Private Limited	29.08	-	-	-	-
		29.08	-	-	-	-
	Loan repaid during the year					
	i) Just Dial Global Private Limited	19.54	-	-	-	-
		19.54	-	-	-	-
	Sale of assets during the year					
	i) Just Dial Global Private Limited	16.65	-	-	-	-

S. No	Particulars	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
		16.65	-	-	-	-
	Cost reimbursement during the year					
	i) Just Dial Global Private Limited	3.37	-	-	-	-
		3.37	-	-	-	-
	Interest income during the year					
	i) Just Dial Global Private Limited	0.21	-	-	-	-
		0.21	-	-	-	-
4	Subsidiaries					
	Investment during the year					
	i) Just Dial Inc.	-	8.82	-	-	13.69
		-	8.82	-	-	13.69
	Loan given during the year					
	i) Just Dial Inc.	33.22	-	3.68	0.60	-
		33.22	-	3.68	0.60	-
	Loans repaid during the year					
	i) Just Dial Inc.	-	3.38	-	-	-
		-	3.38	-	-	-
	Interest on loans					
	i) Just Dial Inc.	0.75	-	-	-	-
		0.75	-	-	-	-
	Balance Outstanding at the year end					
1	Key Management Personnel					
	Remuneration payable					
	Mr V.S.S. Mani	0.13	0.14	-	-	0.12
	Mr Ramani Iyer	1.59	1.32	-	-	0.12
	Mr V. Krishnan	1.57	1.30	-	-	0.12
		3.29	2.76	-	-	0.36
	Security deposit					
	Mr V.S.S. Mani	0.93	0.93	-	-	-
		0.93	0.93	-	-	-
2	Relatives of Key Management Personnel					
	Security deposit					
	Mrs Anita Mani	0.93	0.93	-	-	-
		0.93	0.93	-	-	-
3	Enterprises owned or significantly influenced by Key Management Personnel or their relatives					
	i) Loan to Just Dial Global Private Limited	10.21	0.46	-	-	-
	ii) Investment in Just Dial Global Private Limited	144.76	5.25	-	-	-
		154.97	5.71			
4	Subsidiaries					
	i) Loan to Just Dial Inc	34.07	0.90	4.28	0.60	-

S. No	Particulars	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
	ii) Investment in Just Dial Inc	22.51	22.51	13.69	13.69	13.69
		56.58	23.41	17.97	14.29	13.69

* Amount less than 0.01 million.

Restated Consolidated Summary Statement of Assets and Liabilities as at March 31, 2011, March 31, 2010, March 31, 2009, March 31, 2008 And March 31, 2007 and Profits and Losses and Cash Flows for the years ended March 31, 2011, March 31, 2010, March 31, 2009, March 31, 2008, And March 31, 2007 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, 5th 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 and Just Dial Global Private Limited (for the year ended March 31, 2010), [together referred to as ‘the Group’], annexed to this report as at March 31, 2011, 2010, 2009, 2008 and 2007 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 provision 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 6 August, 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 7, 2010, 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;
 - 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 for the fresh issue and for offer for sale by investors of equity shares of ₹ 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.
4. The restated consolidated financial information has been compiled by the management from:
 - a. the audited consolidated financial statements of the Company for the year ended March 31, 2010 and March 31, 2011 which have been audited by us. We did not audit the financial statements of the subsidiary company, Just Dial Inc for the year ended March 31, 2011 whose financial statements reflect total assets of ₹ 36,343,754, total revenues of ₹ 23,281,245 and cash flows amounting to inflows of ₹ 5,379,008 and the subsidiary companies Just Dial Inc and Just Dial Global Private Limited for the year ended March 31, 2010, whose financial statements in aggregate reflect total assets of ₹ 11,582,153, total revenues of ₹ Nil and cash flows amounting to inflows of ₹ 6,328,861. These financial statements have been audited by another firm of Chartered Accountants, KNAV P.A. and Dinesh Nair & Associates respectively, whose reports for

the respective years have been furnished to us and our opinion in so far as it relates to the amounts included in these Restated Consolidated Summary Statement of Assets and Liabilities, Restated Consolidated Statement of Profit and Loss and Restated Consolidated Cash Flow Statement are based solely on the report of the other auditors.

- b. the audited consolidated financial statements of the Company and its subsidiary for the year ended March 31, 2007, March 31, 2008 and March 31, 2009 which have been audited by the Company's previous auditor Dinesh Nair and Associates, and whose auditors' report have been relied upon by us for the said year.
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 Statement of assets and liabilities of the Company as at March 31, 2011, 2010, 2009, 2008, 2007 and related restated consolidated summary statement of profits and losses and cash flows for the year ended March 31, 2011, 2010, 2009, 2008 and 2007 as set out in Annexure I to III.

6. Based on our examination and the reliance placed on the reports of the auditors, as referred to paragraph 4(b) above and on the reports of the auditors of the subsidiaries not audited by us as referred to in Paragraph 4(a) 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, 2011 applied with retrospective effect in the Restated Consolidated Summary Statements;
 - c) Adjustments for the material amounts in the respective financial years 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; and
 - e) There are no qualifications in the auditors' reports, which require any adjustments to the Restated Consolidated Summary Statements.

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 Annexure IV(B), has 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, 2011. 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, 2011.

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 for the years ended March 31, 2011, 2010, 2009, 2008 and 2007:

- i Restated Consolidated Statement of Reserves & Surplus, enclosed as Annexure V
 - ii Restated Consolidated Statement of Investments, enclosed as Annexure VI
 - iii Restated Consolidated Statement of Sundry Debtors, enclosed as Annexure VII
 - iv Restated Consolidated Statement of Loans and Advances, enclosed as Annexure VIII
 - v Restated Consolidated Statement of Secured Loans, enclosed as Annexure IX
 - vi Restated Consolidated Statement of Current Liabilities and Provisions, enclosed as Annexure X
 - vii Restated Consolidated Statement of Other Income, enclosed as Annexure XI
 - viii Restated Consolidated Statement of Contingent Liabilities, enclosed as Annexure XII
 - ix Restated Consolidated Statement of Dividend, enclosed as Annexure XIII
 - x Restated Consolidated Statement of accounting ratios, enclosed as Annexure XIV
 - xi Capitalisation statement, as appearing in Annexure XV
 - xii Details of Related Party Disclosures, enclosed as Annexure XVI
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 a new opinion on any of the financial statements referred to herein.
10. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. 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
Firm Registration No.: 101049W
Chartered Accountants

per Govind Ahuja
Partner
Membership No: 48966

Mumbai
August 9, 2011

Annexure I - Restated Consolidated Summary Statement of Assets and Liabilities
₹ in million

	Particulars	As at				
		31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
A	Fixed assets					
	Gross block	464.11	341.55	251.37	194.33	140.02
	Less: accumulated depreciation/ amortisation	190.90	149.60	102.64	63.56	38.37
	Net block	273.21	191.95	148.73	130.77	101.65
	Capital advances	17.69	5.73	3.18	-	-
		290.90	197.68	151.91	130.77	101.65
B	Investments	1,159.71	779.85	402.47	407.04	150.00
C	Deferred tax assets, net	12.43	28.06	126.90	113.24	79.96
D	Current assets, loans and advances					
	Sundry debtors	10.99	0.35	0.69	7.71	1.59
	Cash and bank balances	201.17	121.48	204.58	144.91	97.59
	Other current assets, loans and advances	218.80	107.24	68.49	37.43	41.74
		430.96	229.07	273.76	190.05	140.92
E	Liabilities and provisions					
	Secured Loans	3.16	4.71	0.29	1.19	2.63
	Current Liabilities	938.67	578.57	485.58	448.42	315.47
	Provisions	20.59	13.16	30.19	25.96	10.26
		962.42	596.44	516.06	475.57	328.36
F	Minority Interests	-	1.42	-	-	-
	Net worth (A + B + C + D - E - F)	931.58	636.80	438.98	365.53	144.17
	Net worth represented by					
G	Share capital					
	- Equity share capital	519.05	8.56	8.56	8.56	8.56
	- Preference share capital	1.96	2.52	2.52	2.52	2.08
	Total Share capital	521.01	11.08	11.08	11.08	10.64
H	Stock option outstanding	3.24	22.67	8.69	6.14	-
I	Reserves and surplus					
	- General reserves	-	37.42	37.42	25.30	15.95
	- Securities premium account	4.41	381.70	381.70	381.70	180.63
	- Capital redemption reserves	-	0.87	0.87	0.87	0.87
	- Foreign Currency Translation Reserve	(0.18)	(0.39)	0.11	(1.39)	(0.60)
	- Profit and loss account	403.10	183.45	(0.89)	(58.17)	(63.32)
		407.33	603.05	419.21	348.31	133.53
	Net worth (G + H + I)	931.58	636.80	438.98	365.53	144.17

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.

For S. R. Batliboi & Associates
Firm Registration No.: 101049W
Chartered Accountants

per Govind Ahuja
Partner
Membership No. 48966
Place: Mumbai
Date:

Annexure II - Restated Consolidated Summary Statement of Profits and Losses
₹ in million

Particulars	For the year ended				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Income					
Income from operations	1,862.61	1,309.07	859.22	695.87	484.25
Other income	36.51	38.56	58.92	20.16	18.19
Total Income	1,899.12	1,347.63	918.14	716.03	502.44
Expenditure					
Operating and other expenses	460.48	339.01	255.11	232.57	148.12
Personnel expenses	942.41	668.82	522.77	420.54	299.10
Financial expenses	5.03	4.20	5.64	7.78	7.36
Depreciation/amortisation	70.25	52.53	40.81	26.66	15.22
Total expenditure	1,478.17	1,064.56	824.33	687.55	469.80
Restated Profit before tax	420.95	283.07	93.81	28.48	32.64
Tax Expense/ (Income):					
Current tax	119.31	-	35.17	41.87	34.35
Deferred tax charge /(credit)	15.49	98.82	(13.65)	(33.27)	(20.52)
Fringe benefit tax	-	-	2.89	2.78	2.38
Total taxes	134.80	98.82	24.41	11.38	16.21
Restated profit after tax before minority interests	286.15	184.25	69.40	17.10	16.43
Share in loss of minority interest	-	0.09	-	-	-
Restated profit after tax	286.15	184.34	69.40	17.10	16.43
Profit and loss at the beginning of the year, as restated	183.45	(0.89)	(58.17)	(63.32)	(60.92)
Balance available for Appropriation, as restated	469.60	183.45	11.23	(46.22)	(44.49)
Appropriation					
Proposed dividend	-	-	-	2.22	-
Interim dividend	-	-	-	-	10.03
Corporate dividend tax	-	-	-	0.38	1.41
Transfer to general reserve	-	-	12.12	9.35	6.52
Transfer to capital redemption reserve	-	-	-	-	0.87
Total	-	-	12.12	11.95	18.83
Balance carried forward as restated	469.60	183.45	(0.89)	(58.17)	(63.32)

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.

For S. R. Batliboi & Associates
Firm Registration No.: 101049W
Chartered Accountants

per Govind Ahuja
Partner
 Membership No. 48966

Place: Mumbai
 Date:

Annexure III - Restated Consolidated Summary Statement of Cash Flows

₹ in million

Particulars	For the year ended				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
A. CASH FLOW FROM/ (USED IN) OPERATING ACTIVITIES					
Net profit before taxation (as restated)	420.95	283.07	93.81	28.48	32.64
Adjustments for:					
Loss / (profit) on sale/scrap of fixed assets (net)	12.30	(0.16)	(0.72)	(0.30)	(2.89)
ESOP expenses	3.24	13.97	2.55	6.14	3.93
Advertisement expenses	4.40	-	-	-	-
(Profit) / loss on sale of investments	(2.78)	(3.07)	(19.73)	0.56	3.66
Dividend income	(28.61)	(25.84)	(29.40)	(14.38)	(0.01)
Interest income	(1.52)	(8.40)	(7.59)	(4.95)	(14.58)
Interest Expense	0.29	0.04	0.05	0.14	0.42
Depreciation / Amortisation	70.25	52.53	40.81	26.66	15.21
Operating profit before working capital changes (as Restated)	478.52	312.15	79.78	42.35	38.38
Movements in Working Capital					
(Increase)/ decrease in sundry debtors	(10.64)	0.34	7.03	(6.12)	(0.37)
(Increase) / decrease in loans and advances	(97.56)	(7.82)	(31.05)	31.02	29.28
Increase in current liabilities	360.11	92.98	36.90	130.33	59.47
Increase / (decrease) in provisions	7.43	(3.67)	8.48	(21.51)	(29.37)
Cash flow from operations	737.86	394.41	101.14	176.07	97.39
Direct taxes paid (including fringe benefit taxes paid)	(133.19)	(44.57)	(39.73)	(34.18)	(37.39)
Net cash generated from operating activities	604.67	349.84	61.41	141.89	60.00
B. CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES					
Purchase of fixed assets	(191.83)	(99.11)	(61.58)	(56.81)	(61.49)
Proceeds from sale of fixed assets	16.05	0.35	2.12	0.58	7.01
Purchase of current investments	(2,005.91)	(899.81)	(563.85)	(307.04)	(153.66)
Sale of current investments	1,773.56	525.51	588.12	49.43	0.29
Purchase of long term investment	(144.76)	-	-	-	-
Buy back shares by subsidiary	5.25	-	-	-	-
Payment on purchase of business	-	-	-	-	(128.38)
Deposits (with maturity more than 3 months)	(49.62)	(47.21)	(142.57)	(36.86)	(1,185.64)
Proceeds from deposits matured (with maturity more than 3 months)	38.95	188.48	42.28	33.24	1,175.93
Dividend received	28.61	25.84	29.40	14.38	0.01
Interest received	1.88	8.40	7.59	4.95	14.58
Net cash generated from/(used)	(527.82)	(297.55)	(98.49)	(298.13)	(331.35)

Particulars	For the year ended				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
in) investing activities					
C. CASH FLOW FROM /(USED IN) FINANCING ACTIVITIES					
Secured loans taken	-	4.99	-	-	-
Repayment of secured loans	(1.55)	(0.57)	(0.90)	(1.44)	(2.25)
Receipts from issue of equity shares	0.75	-	-	-	-
Receipts from issue of equity shares to Minority shareholders	-	1.51	-	-	-
Buy back of equity shares	-	-	-	-	(226.29)
Net Proceeds from issue of preference shares	-	-	-	201.51	532.08
Interest paid	(0.29)	(0.04)	(0.05)	(0.14)	(0.42)
Dividend paid	-	-	(2.22)	-	(21.92)
Dividend distribution tax	-	-	(0.38)	-	(3.07)
Net cash generated from / (used in) financing activities	(1.09)	5.89	(3.55)	199.93	278.13
Net increase in cash and cash equivalents (A+B+C)	75.76	58.17	(40.63)	43.70	6.78
Cash and cash equivalents at the beginning of year	111.06	52.89	93.52	49.82	43.04
Cash and cash equivalents pertaining to the demerged subsidiary	(6.74)	-	-	-	-
Cash and cash equivalents at the end of the year	180.08	111.06	52.89	93.52	49.82

Components of Cash and Cash Equivalents	For the year ended				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Cash in hand	4.59	0.83	2.63	2.72	1.99
Balance with scheduled banks :					
Current account	175.49	110.23	50.26	90.80	47.83
Fixed deposit account	21.09	10.42	151.69	51.39	47.77
	201.17	121.48	204.58	144.91	97.59
Less: Fixed deposits not considered as cash equivalents	(21.09)	(10.42)	(151.69)	(51.39)	(47.77)
	180.08	111.06	52.89	93.52	49.82

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.

For S. R. Batliboi & Associates
Firm Registration No.: 101049W
Chartered Accountants

per Govind Ahuja
Partner
 Membership No. 48966
 Place: Mumbai
 Date:

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 Company is as follows:-

₹ in million

Particulars	For the financials years				
	2010-11	2009-10	2008-09	2007-08	2006-07
(A) Net Profit/(loss) as per audited financial statements before adjustments	293.31	(113.71)	115.18	89.71	63.62
Adjustments due to changes in accounting policies					
Increase/ (Decrease) in Depreciation due to change in method from Written Down Value (WDV) Method to Straight Line Method (SLM). (Refer Note 1 of Annexure IVB)	-	(10.17)	1.91	6.86	0.66
Increase/ (Decrease) in profit on sale of assets due to change in method of depreciation from WDV to SLM basis. (Refer Note 1 of Annexure IVB)	-	-	0.70	0.27	(0.53)
Other Adjustments					
Increase/(Decrease) in revenues on account of revenue recognition on accrual basis as per Revenue Recognition policy mandated by AS-9 (Refer Note 2A(a) of Annexure IVB)	-	379.57	(48.75)	(97.61)	(54.15)
Provision for Compensated Absences (Refer Note 2A(e) of Annexure IVB)	-	14.92	(6.51)	(2.58)	(2.49)
Lease rent adjustment, for straight lining of leases as required by AS-19 - Accounting for Leases (Refer Note 2A(c) of Annexure IVB)	-	3.13	0.38	(1.16)	(0.45)
Printing and Publishing expenses restated due to change in policy of recognizing printing and publishing expenses based on publishing dates. (Refer Note 2A(b) of Annexure IVB)	-	-	0.82	0.24	(1.03)
Adjustment for other employee liabilities (Refer Note 2A(f) of Annexure IVB)	-	23.91	(8.02)	(8.39)	(5.03)
Employee Stock Options - accounting treatment as per the guidance note issued by the Institute of Chartered Accountants of India (Refer Note 2A(d) of Annexure IVB)	-	12.62	(2.56)	(6.14)	(3.93)
Reversal of Prior year adjustments due to the expense recognition in the year to which it relates.	-	-	(0.28)	-	-
(B) Total Adjustments	-	423.98	(62.31)	(108.51)	(66.95)
(C) Tax (under-provisions)/over-provisions (Refer Note 2B of Annexure IVB)	0.68	2.34	0.67	(0.79)	(1.71)
(D) Deferred Tax impact of adjustments	(7.84)	(128.27)	15.86	36.69	21.47
Restated Profit (A+B+C+D)	286.15	184.34	69.40	17.10	16.43

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.

Annexure IVB

1. Changes in Accounting Policies

Change in Depreciation policy from Written Down Value Method to Straight Line Method.

The Company has retrospectively 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, 2008 and 2007 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, 2008 and 2007.

Accordingly the profit and loss on assets sold in each of the financial years ending March 31 2009, 2008 and 2007 been recomputed in line with the revised policy.

2. Other Adjustments

(A) Prior period items

(a) Revenue recognition

During the year ended March 31, 2010, the Company has with 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 recognized 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, 2008 and 2007.

(b) Publishing expense

Printing and publishing expense related to yellow pages directory has been restated in each of financial years ended March 31, 2009, 2008 and 2007 based on the expense related to each of the financial years in which the revenue from yellow pages were recognized. In the audited financial statements for such years, the publishing expenses were recognized based on when the expense was due or paid, whichever is earlier.

(c) Straight-lining of operating lease expenses

In the audited financial statements for the years ended March 31, 2009, 2008 and 2007, 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 recognized 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 recognized in the audited accounts of the previous financial years. On restatement of financial statements, the compensation expense and the deferred compensation related to employee stock option has been recognized in each of the financial years to which such charge relates. The balance value of the options not recognized during each of the

financial years has been recognized 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 recognized in Share Premium account in the respective years in which the options were recognized.

(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, 2008 and 2007 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, 2008 and 2007 and this adjustment has been 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, 2008 and 2007 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 policies 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, 2006, 2007, 2008 and 2009 have been offset with the deferred tax assets created as a consequence of the above changes and the net deferred tax amount has been recognized in the restated financial statements for the years ended March 31, 2006, 2007, 2008 and 2009.

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, 2011 and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 (as amended).

ANNEXURE IVC: Notes to the restated consolidated summary statements of assets and liabilities, profits and losses and cash flows for the years ended March 31, 2011, 2010, 2009, 2008 and 2007:

1. Background

Just Dial Private 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).

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 following subsidiaries (hereinafter collectively referred as the 'Group'):

Companies	Country of Incorporation	Ownership Interest	Relationship
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)	United States of America	100%	Subsidiary
Just Dial Global Private Limited (from March 18, 2010 to March 31, 2010)	India	77.78%	Subsidiary

The restated consolidated summary statement of assets and liabilities of the Company as at March 31, 2011, 2010, 2009, 2008 and 2007 and the related restated consolidated summary statement of profits and losses and cash flows for the years ended March 31, 2011, 2010, 2009, 2008 and 2007 (herein collectively referred to as ('Restated consolidated summary statements')) relate to the Company 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.

These restated consolidated summary statement 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').

2. Statement of significant accounting policies

2.1 Basis of preparation

The restated consolidated summary statements include the accounts of Just Dial Limited and its subsidiaries. These accounts have been prepared to comply in all material respects with accounting standards notified by Companies (Accounting Standard) Rules, 2006, (as amended) to reflect the financial position and results of the operations of the Group. The accounting policies are consistently applied by the Group. The restated consolidated summary statements have been prepared using uniform accounting policies.

The restated consolidated summary 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 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 and intra-group balances. The financial statements of the subsidiaries used in the consolidation have been drawn up to the same reporting date as that of the holding company namely March 31, 2011, 2010, 2009, 2008 and 2007.

The assets and liabilities of the non-integral subsidiaries are translated into Indian rupees at the rate of exchange prevailing as of the Balance Sheet date. Revenue and expenses are translated into Indian rupees at the average closing rate.

The restated consolidated summary 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 covered in the following paragraphs.

2.2 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.

2.3 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.

2.4 Depreciation

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 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.

2.5 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 recognized 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.

2.6 Intangible assets

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.

2.7 *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 recognized as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

2.8 *Investments*

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term 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.

2.9 *Revenue recognition*

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

2.9.1 Income from services

Revenues from tenure based contracts and reseller contracts are recognized pro-rata over the contract period.

Revenues from lead based contracts are recognized as per provision of leads to the customer.

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 prorated over a period of 12 months.

Revenue from yellow pages publication services are recognized as per the availability of yellow pages directory to the public for accessing information.

2.9.2 Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

2.9.3 Dividends

Revenue is recognized when the shareholders' right to receive payment is established by the balance sheet date.

2.10 *Foreign currency translation*

2.10.1 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.

2.10.2 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.

2.10.3 Exchange differences

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 year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

2.11 *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 Profit and Loss Account 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.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation as at year end. The actuarial valuation is done as per projected unit credit method.

Actuarial gains/losses are immediately taken to Profit and Loss Account and are not deferred.

2.12 *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 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 the Company has 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 the Company re-assesses unrecognized deferred tax assets. It recognizes 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. 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 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.

2.13 *Employee stock compensation cost*

Measurement and disclosure of the employee share-based payment plans is done in accordance the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

2.14 *Segment reporting*

The Group's operating business are organized 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 Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

2.15 *Earnings per share*

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and related attributable taxes) by the weighted average number of equity shares outstanding during the period. 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 period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.16 *Provisions*

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

2.17 *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.

3. *Amalgamation of R.R.R Computech (India) Private Limited with the Company*

During the year ended March 31, 2007, the Company has entered into a scheme of Arrangement for the amalgamation of R.R.R Computech (India) Private Limited. This scheme of arrangement was approved by the High Courts of Bombay and Hyderabad vide their orders dated February 9, 2007 and February 22, 2007, respectively.

Accordingly, all assets and liabilities of erstwhile R.R.R Computech (India) Private Limited are recorded by the Company under purchase method:

- a. The difference between the carrying value of investment in and value of net assets acquired under the Scheme of arrangement, ₹ 128.38 million has been debited to Securities Premium account.
- b. The Company has issued 282,304 fully paid-up equity shares to the shareholders holding 503,067 fully paid equity shares of transferor company and cash payment was paid to specified shareholders in terms of scheme of amalgamation.

4. Details of preference shares issued during the years ended March 31, 2007, March 31, 2008 and March 31, 2009

- 4.1 Issued 207,806 6% Cumulative redeemable optionally convertible preference shares (Series A) of face value ₹ 10 per share for a price of ₹ 2, 632.01 per share on October 16, 2006.
- 4.2 Issued 34,169 6% Cumulative redeemable optionally convertible preference shares (Series A) of face value ₹ 10 per share for a price of ₹ 4, 594.87 per share on June 22, 2007.
- 4.3 Issued 8,713 6% Cumulative redeemable optionally convertible preference shares (Series A) of face value ₹ 10 per share for a price of ₹ 4, 607.25 per share on July 3, 2007.
- 4.4 Issued 1,798 6% Cumulative redeemable optionally convertible preference shares (Series A) of face value ₹ 10 per share for a price of ₹ 4, 607.25 per share on July 3, 2007.
- 4.5 Issued 1 0.1% Cumulative redeemable optionally convertible preference share (Series B) of face value ₹ 10 per share for a price of ₹ 10 per share on July 3, 2007.

5. Buy-back of shares

During the year ended March 31, 2007, the Company in terms of buy back scheme bought back 61,250 and 26,214 equity shares at a price of ₹ 2, 574 and ₹ 2, 651 per equity share having face value of ₹ 10 per share. Since the buy back was made out of existing free reserves, the Company has transferred ₹ 0.87 million to capital redemption reserve during the year ended March 31, 2007.

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 ₹ 19.87 million as at March 31, 2011, ₹ 8.64 million as at March 31, 2010 and ₹ Nil as at March 31, 2009, March 31, 2008 and March 31, 2007.

7. Segment disclosure

The business segments are the basis on which the Group reports its primary operational information to Management. The Group's businesses are managed primarily as local search related services and infrastructure support and marketing services.

For the year ended March 31, 2011, the following tables present revenue, profit and related asset and liability information regarding business segments:

Business Segment

₹ in million				
	Local search services	Infrastructure support and marketing services	Elimination	Consolidated total
	2011	2011	2011	2011
Revenue	1,839.33	23.28	-	1,862.61
Segment Result	420.99	(1.27)	-	419.72
Interest expense	0.29	0.75	(0.75)	0.29
Interest income	2.27	-	(0.75)	1.52
Income taxes	134.74	0.06	-	134.80
Net Profit as restated	288.23	(2.08)	-	286.15
Other Information:				
Segment assets	1901.84	-	(56.58)	1845.26
Unallocated corporate assets	12.43	36.31	-	48.74
Total assets	1,914.27	36.31	(56.58)	1,894.00
Segment liabilities	(960.16)	-	-	(960.16)
Unallocated corporate liabilities	-	(3.01)	0.75	(2.26)
Total liabilities	(960.16)	(3.01)	0.75	(962.42)
Capital expenditures	(16.05)	-	-	(16.05)
Depreciation/ amortisation	67.88	2.37	-	70.25
Other non cash expenses	15.54	-	-	15.54

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 year ended March 31, 2010, 2009, 2008 and 2007.

Geographical segment

The following table shows the distribution of Company'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.

₹ in million					
	2011	2010	2009	2008	2007
Domestic	1,839.33	1,309.07	859.22	695.87	484.25
Others	23.28	-	-	-	-

The following tables show the carrying amount of segment assets and addition to segment assets by geographical segments in which assets are utilized:

₹ in million					
Carrying amount of segment assets and intangible assets					
	2011	2010	2009	2008	2007
Domestic	1,845.26	1,201.94	820.38	425.77	310.98
Others	36.31	4.66	7.76	8.29	11.55

₹ in million

Additions to fixed assets and intangible assets					
	2011	2010	2009	2008	2007
Domestic	179.90	96.55	58.39	56.81	128.50
Others	-	-	-	-	11.52

8. 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 following tables summarize the components of net benefit expense recognized in the Profit and Loss Account and the funded status and amounts recognized in the balance sheet for the respective plans.

Profit and Loss Account

Net employee benefit expenses (recognised in Employee Cost)

₹ in million					
Gratuity	2010-11	2009-10	2008-09	2007-08	2006-07
Current service cost	5.13	3.79	1.94	2.79	1.48
Interest cost on benefit obligation	1.08	0.77	0.49	0.74	0.41
Expected return on plan assets	(1.68)	(1.08)	(0.70)	(0.48)	(0.25)
Net actuarial(gain) / loss recognized in the year	1.67	0.24	1.64	(1.02)	0.77
Net Benefit expense	6.20	3.72	3.37	2.03	2.41
Actual Return on Plan Assets	1.68	1.08	0.70	0.48	0.25

Balance Sheet

₹ in million					
Gratuity	2010-11	2009-10	2008-09	2007-08	2006-07
Defined benefit obligation	20.49	13.55	9.67	6.11	4.10
Fair value of plan assets	29.10	16.49	7.76	6.80	5.59
Plan asset/(liability)	8.61	2.94	(1.91)	0.69	1.49

₹ in million					
Gratuity	2010-11	2009-10	2008-09	2007-08	2006-07
Opening defined benefit obligation	13.55	9.67	6.11	4.10	1.62
Interest cost	1.08	0.77	0.49	0.74	0.41
Current service cost	5.13	3.79	1.94	2.79	1.48
Less: benefits paid	(0.94)	(0.92)	(0.51)	(0.50)	(0.18)
Actuarial (gains) / losses on obligation	1.67	0.24	1.64	(1.02)	0.77
Closing defined benefit obligation	20.49	13.55	9.67	6.11	4.10

₹ in million					
Gratuity	2010-11	2009-10	2008-09	2007-08	2006-07
Opening fair value of plan assets	16.49	7.76	6.80	5.59	2.21
Expected return	1.68	1.08	0.70	0.48	0.25
Contributions by employer	11.87	8.57	-	2.85	3.31
Less: benefits paid	(0.94)	(0.92)	(0.51)	(0.50)	(0.18)
Less: Actuarial gains/(losses)	-	-	0.77	(1.62)	-
Closing fair value of plan assets	29.10	16.49	7.76	6.80	5.59

The major categories of plan assets as a percentage of the fair value of total plan assets are as

follows:

	Gratuity				
	2010-11	2009-10	2008-09	2007-08	2006-07
	(%)	(%)	(%)	(%)	(%)
Investments with insurer	100	100	100	100	100

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Assumptions

	2010-11	2009-10	2008-09	2007-08	2006-07
Discount Rate	8.00%	8.00%	8.00%	8.00%	7.95%
Salary Escalation	5.00%	5.00%	5.00%	7.00%	7.00%
Withdrawal Rate	1-3% depending on age	1-3% depending on age	1-3% depending on age	1-3% depending on age	1-3% depending on age

Experience adjustments:

Amounts for the current and previous four periods are as follows:

	₹ in million				
	2010-11	2009-10	2008-09	2007-08	2006-07
Defined benefit obligation	20.49	13.55	9.67	6.11	4.10
Plan assets	29.10	16.49	7.76	6.80	5.59
Surplus/ (deficit)	8.61	2.94	(1.91)	0.69	1.49
Experience adjustment on plan liabilities	1.67	0.24	0.94	(0.98)	1.17
Experience adjustment on plan assets	-	-	-	(0.02)	-

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.

9. 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:

	₹ in million				
Particulars	2010-11	2009-10	2008-09	2007-08	2006-07
Lease payments for the year	93.47	71.33	40.84	34.32	25.34
Minimum Lease Payments :					
Not later than one year	103.34	69.36	27.88	32.29	32.83
Later than one year but not later than five years	327.07	237.06	73.96	29.67	57.17
Later than five years	119.07	113.92	25.64	6.05	8.32

10. Deferred tax assets

₹ in million					
Timing difference on account of	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	Deferred tax assets/ (liability) as at March 31, 2007
Deferred tax liability					
Difference between tax depreciation and book depreciation	(7.16)	(11.68)	(11.49)	(8.81)	(2.71)
Subtotal (A)	(7.16)	(11.68)	(11.49)	(8.81)	(2.71)
Deferred tax assets					
Expenditure debited to Profit and Loss Account the respective years but allowable in tax returns in subsequent years	16.73	14.88	9.23	7.05	3.76
Revenue taxed on receipt basis	1.17	4.38	129.16	115.00	78.91
Preliminary Expenses	1.69	-	-	-	-
Carried forward losses	-	20.48	-	-	-
Subtotal (B)	19.59	39.74	138.39	122.05	82.67
Total (A+B)	12.43	28.06	126.90	113.24	79.96

11. Earnings per share ('EPS')

The calculations of earnings per share are based on the net profit and number of shares as computed below:

₹ in million					
	2010-11	2009-10	2008-09	2007-08	2006-07
Net profit as per profit and loss account as restated	286.15	184.34	69.40	17.10	16.43
Less: Dividends on convertible preference shares & tax thereon	43.16	52.81	52.81	49.21	17.60
Net profit for calculation of basic EPS	242.99	131.53	16.59	(32.11)	(1.17)
Weighted number of equity shares for calculating basic EPS	51,591,690	47,948,208	47,948,208	47,948,208	54,188,400
Basic EPS (₹)	4.71	2.74	0.35	(0.67)	(0.02)
Weighted number of equity shares for calculating diluted EPS	62,731,629	47,962,181	47,955,239	-	-
Diluted EPS (₹)	4.56	2.74	0.35	(0.67)	(0.02)

Note: The Company has 252,486 (2009-10: 252,486, 2008-09: 252,486, 2007-08: 252,486, 2006-07: 207,806) 6% cumulative convertible preference shares and 1 (2009-10: 1, 2008-09: 1, 2007-08: 1 and 2006-07: 1) 0.1% non-cumulative convertible preference shares outstanding as at March 31, 2011. However, this has not been considered for diluted EPS for the years ended March 31, 2010, 2009, 2008 and 2007 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 and 2007 as they are anti-dilutive in nature.

12. Directors' remuneration

₹ in million					
	2010-11	2009-10	2008-09	2007-08	2006-07

	2010-11	2009-10	2008-09	2007-08	2006-07
Salaries	11.57	6.85	6.87	6.87	6.47
Commission to whole-time Directors	8.82	7.91	2.61	2.85	2.44
Perquisites	0.05	0.14	0.12	0.12	0.05
Contribution to provident fund	0.43	0.26	0.26	0.26	0.20
	20.87	15.16	9.86	10.10	9.16

Note: As the liabilities for Gratuity and Leave Encashment are provided on actuarial basis for the Company as a whole, the amounts pertaining to the directors are not included above.

13. 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 ₹ 6.53 million was assessed up to September 2010. The order, however, states that it is issued without prejudice to the 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 Employees' State Insurance Court, Mumbai claiming the provisions of ESIC are not applicable to it.

However, the Company has recorded the ESIC provision during the previous years' aggregating to ₹ 32.13 million and continues to carry provision of ₹ 30.25 million as at March 31, 2011 for the 5 years ended March 31, 2010 in the books of accounts based on internal estimates and as per the provisions of the ESIC Act as which should be adjusted / settled on completion of the assessment. The Company has also deposited the amount of ₹ 4.47 million under protest.

14. Employee stock option plans:

The Company has provided various share-based payment schemes to its employees. During the last five years ended March 31, 2011, 2010, 2009, 2008 and 2007, the following schemes were in operation:

	Pool	Date of grant	Date of board/ shareholders' approval	Number of options granted	Vesting period	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% 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
ESOP scheme 2010	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%

	Pool	Date of grant	Date of board/ shareholders' approval	Number of options granted	Vesting period	Vesting conditions
						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 ₹ 10 have been summarized below:

	Number of options				
	2010-11	2009-10	2008-09	2007-08	2006-07
Outstanding at the beginning of the year	5,648	6,023	6,623	7,073	-
Granted during the year	-	-	-	-	9,400
Forfeited during the year	-	375	600	450	-
Exercised during the year	5,648	-	-	-	2,327
Outstanding at the end of the year	-	5,648	6,023	6,623	7,073
Exercisable at the end of the year	-	5,648	3,673	1,927	-
Weighted average remaining contractual life (in years)	-	3	4	5	6
Weighted average fair value of options granted on the date of grant	1,693	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 ₹ 4,595 have been summarized below:

	Number of options				
	2010-11	2009-10	2008-09	2007-08	2006-07
Outstanding at the beginning of the year	11,170	11,170	-	-	-
Granted during the year	-	-	11,170	-	-
Outstanding at the end of the year	11,170	11,170	11,170	-	-
Exercisable at the end of the year	3,351	1,117	-	-	-
Weighted average remaining contractual life (in years)	5	6	7	-	-
Weighted average fair value of options granted on the date of grant	48	48	-	-	-

The details of activity under Pool 3 of ESOP Scheme 2008 with weighted average exercise price of ₹ 4,500 have been summarized below:

	Number of options				
	2010-11	2009-10	2008-09	2007-08	2006-07

	Number of options				
	2010-11	2009-10	2008-09	2007-08	2006-07
Outstanding at the beginning of the year	400	-	-	-	-
Granted during the year	-	400	-	-	-
Outstanding at the end of the year	400	400	-	-	-
Exercisable at the end of the year	40	-	-	-	-
Weighted average remaining contractual life (in years)	6	7	-	-	-
Weighted average fair value of options granted on the date of grant	531	531	-	-	-

The details of activity under Pool 4 of ESOP Scheme 2008 with weighted average exercise price of ₹ 10 have been summarized below:

	Number of options				
	2010-11	2009-10	2008-09	2007-08	2006-07
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 ₹ 80 have been summarized below:

	Number of options				
	2010-11	2009-10	2008-09	2007-08	2006-07
Outstanding at the beginning of the year	-	-	-	-	-
Granted during the year	82,936	-	-	-	-
Outstanding at the end of the year	82,936	-	-	-	-
Weighted average remaining contractual life (in years)	7	-	-	-	-
Weighted average fair value of options granted	37	-	-	-	-

The details of activity under Pool 6 of ESOP Scheme 2010 with weighted average exercise price of ₹ 69 have been summarized below:

	Number of options				
	2010-11	2009-10	2008-09	2007-08	2006-07
Outstanding at the beginning of the year	-	-	-	-	-
Granted during the year with exercise price of ₹ 10	155,176	-	-	-	-
Granted during the year with exercise price of ₹ 80	789,563	-	-	-	-
Outstanding at the end of the year	944,739	-	-	-	-
Weighted average remaining contractual life (in years)	7	-	-	-	-

	Number of options				
	2010-11	2009-10	2008-09	2007-08	2006-07
Weighted average fair value of options granted	44	-	-	-	-

Effect of the employee share-based payment plans on the profit and loss account and on its financial position:

Particulars	₹ in million				
	2010-11	2009-10	2008-09	2007-08	2006-07
Total employee compensation cost pertaining to share based payment plans (all equity settled)	3.24	13.97	2.55	6.14	3.93
Employee compensation cost transferred to Share Premium in the respective years	22.67	-	-	-	3.93
Liability for employee stock option outstanding as at the year end	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.

Particulars	₹ in million (except EPS in ₹)				
	2010-11	2009-10	2008-09	2007-08	2006-07
Profit/(loss) as per restated consolidated financials	286.15	184.34	69.40	17.10	16.43
Less: Dividends on convertible preference shares & tax thereon	43.16	52.81	52.81	49.21	17.60
Add: Employee stock compensation under intrinsic value method	3.24	13.97	2.55	6.14	3.93
Less: Employee stock compensation under fair value method	9.65	15.01	5.12	12.54	7.64
Proforma restated profit	236.58	130.49	14.02	(38.51)	(4.88)
Earnings per share					
Basic earnings per share					
As reported	4.71	2.74	0.35	(0.67)	(0.02)
Proforma	4.56	2.72	0.29	(0.80)	(0.09)
Diluted earnings per share					
As reported	4.56	2.74	0.35	(0.67)	(0.02)
Proforma	4.44	2.72	0.29	(0.80)	(0.09)

Stock options granted

The weighted average fair value of stock options granted during the year 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 (₹)	85	85	85	2,100	2,100

Particulars	2011			2010		2009
	Pool 6	Pool 5	Pool 4	Pool 3	Pool 2	
(Refer Note. 1)						
Exercise Price (₹)	80	10	80	10	4,500	4,595
Expected Volatility	-	-	-	-	-	-
Historical Volatility	-	-	-	-	-	-
Life of the options granted (Vesting and exercise price)	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 price 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.

15. Contingent liabilities not provided for

	₹ in million				
	2011	2010	2009	2008	2007
Income tax demands:	11.53	7.97	7.13	2.39	2.39
Income tax in respect of Assessment years 2003-04, 2006-07, 2007-08 and 2008-09 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.					
Preference dividend:	215.00	171.84	119.03	66.81	17.60
Cumulative dividend on 6% optionally convertible cumulative preference shares (includes dividend distribution tax of 2010-11 ₹ 31.23 million, 2009-10 - ₹ 24.96 million, 2008-09 - ₹ 17.29 million, 2007-08 ₹ 9.70 million and 2006-07 - ₹ 2.56 million)					

16. 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 ₹ 5.25 million to the Company with effect from April 1, 2010. Further, during the year ended March 31, 2011 the Company invested ₹ 144.76 million in cumulative redeemable (optionally convertible) preference shares of ₹ 10 each.

17. Subsequent events to March 31, 2011

17.1 Additional investment in JD Global.

Subsequent to the year ended March 31, 2011, the Company invested ₹ 580 million in cumulative redeemable (optionally convertible) preference shares of ₹ 10 each of JD Global.

17.2 Demerger of part of testing service business undertaking

Subsequent to the year ended March 31, 2011, the Board of Directors approved the demerger of the IT related testing business and the Company's preference share investment in JD Global (₹ 144.76 million as at March 31, 2011 and additional investment of ₹ 580 million from April 1, 2011 to June 30, 2011) to JD Global and approved the scheme of arrangement ('the Scheme') under section 391 to 394 read with section 78 and sections 100 to 103 of Companies Act, 1956. The Scheme was filed with the High Court of Bombay in May 2011 and as per the terms of the Scheme, the business and investments, described above will be transferred to JD Global from the appointed date of July 1, 2011.

As per the Scheme, the carrying value of the assets and liabilities of the IT related testing business and investment by the Company till June 30, 2011 in JD Global will be adjusted against the balance in the Securities Premium Account, to the extent of the balance, followed by General Reserve Account and the balance, if any, against the balance in Profit and Loss Account of the Company.

As a consideration for transfer, the shareholders of the company as on July 1, 2011 will receive, on a fully convertible basis on record date, 1 compulsorily convertible preference share of ₹ 10 each or equivalent number of equity shares based on the original entitlement on conversion for every optionally convertible preference share held by the Company in JD Global.

17.3 Increase in share capital

On May 31, 2011 Company has allotted 968,060, 6% compulsory convertible non cumulative preference shares. The authorized share capital has been accordingly increased.

18. Income from operations include revenue from search related services ₹ 1,862.61 million, 1,160.62 million, ₹ 735.39 million, 510.18 million and ₹ 347.89 million for the years ended March 31, 2011, 2010, 2009, 2008 and 2007, respectively and revenue from yellow pages publication services were ₹ Nil, ₹ 148.45 million, ₹ 123.83 million ₹ 185.69 million, and ₹ 136.36 million for the years ended March 31, 2011, 2010, 2009, 2008 and 2007 respectively. The related publication expenses were ₹ Nil, 19.99'million, '38.22'million, '36.99'million, 27.99'million for the years ended March 31, 2011, 2010, 2009, 2008 and 2007 respectively.

For S. R. Batliboi & Associates
Firm Registration No.: 101049W
Chartered Accountants

per Govind Ahuja
Partner
Membership No. 48966

Place: Mumbai
Date:

Annexure V - Restated Consolidated Statement of Reserves and Surplus

₹ in million

Particulars	As at				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
A. Securities premium account					
Balance at the beginning of the year	381.71	381.70	381.70	180.64	-
Add: Receipt on issue of preference shares	-	-	-	204.98	544.87
Add: Receipt on issue of equity shares	4.40	-	-	-	3.93
Add: Premium on issue of ESOP	22.67	-	-	-	-
Less: Goodwill on merger (Refer Note 3 of Annexure IVC)	-	-	-	-	128.38
Less: Buyback adjustment (Refer Note 5 of Annexure IVC)	-	-	-	-	226.28
Less: Preference share issue expenses	-	-	-	3.92	13.51
Less: Utilized for bonus shares issued	404.36	-	-	-	-
Balance at the end of the year	4.41	381.70	381.70	381.70	180.63
B. Profit and loss account					
Balance carried forward from Profit and Loss Account	469.60	183.45	(0.89)	(58.17)	(63.32)
Less: Utilized for bonus shares issued	66.50	-	-	-	-
Balance at the end of the year	403.10	183.45	(0.89)	(58.17)	(63.32)
C. Capital Redemption Reserve					
Balance at the beginning of the year	0.87	0.87	0.87	0.87	-
Add: Transferred from Profit and Loss Account	-	-	-	-	0.87
Less: Utilized for bonus shares issued	0.87	-	-	-	-
Balance at the end of the year	-	0.87	0.87	0.87	0.87
D. Foreign Currency Translation Reserve	(0.18)	(0.39)	0.11	(1.39)	(0.60)
E. General Reserve					
Balance as at beginning of the year	37.42	37.42	25.30	15.95	9.45
Add: Transferred from Profit and Loss Account	-	-	12.12	9.35	6.50
Less: Utilized for bonus shares issued	37.42	-	-	-	-
Balance at the end of the year	-	37.42	37.42	25.30	15.95
Total (A+B+C+D+E)	407.33	603.05	419.21	348.31	133.53

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 Investments
₹ in million

Particulars	As at				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Long term investments					
Investments in enterprises owned or significantly influenced by Key Management Personnel or their relatives					
Unquoted investments:					
(a) 306,495 ((Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) Optionally Convertible Preference Shares @ ₹ 472.30/- per share. in Just Dial Global Private Limited (Refer Note 21 of Annexure IVC)	144.76	-	-	-	-
Sub total - A	144.76	-	-	-	-
Current investments - other than trade unquoted (at lower of cost and market value)					
Unquoted Investments:					
(a) Nil (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - 3,206, 2006-07 - Nil) units of Pru ICICI Liquid Plan inst liquid daily dividend	-	-	-	0.03	-
(b) Nil (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - 10,369,616, 2006-07 - Nil) units of DWS Money Plus Fund Institutional Plan-Weekly	-	-	-	104.10	-
(c) Nil (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - 10,180,690, 2006-07 - Nil) units of DWS Credit Opportunities Cash Fund Regular Plan Monthly	-	-	-	102.87	-
(d) Nil (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - 3,245, 2006-07 - Nil) units of ICICI Pru Inst Liq- Daily Dividend	-	-	-	0.03	-
(e) Nil (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - 15,000,000, 2006-07 - 15,000,000) units of Standard Chartered Fixed Maturity Plan Yearly Series 2 Growth	-	-	-	150.00	150.00
(f) Nil (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - 927, 2006-07 - Nil) units of Sundaram BNP Paribas Liquid	-	-	-	0.01	-

Particulars	As at				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Plus Super Institutional Dividend					
(g) Nil (Year 2009-10 - Nil, 2008-09 - 5,000,000, 2007-08 - 5,000,000 , 2006-07 - Nil) units of Templeton Fixed Horizon Fund Series VII - Plan C - Institutional units	-	-	50.00	50.00	-
(h) Nil (Year 2009-10 - 5,123,409, 2008-09 - 4,858,795, 2007-08 - Nil , 2006-07 - Nil) units of Birla Sun Life Dynamic Bond Fund-Retail Plan-Monthly Dividend	-	53.35	50.72	-	-
(i) Nil (Year 2009-10 - 5,292,729, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of Birla Sun Life Dynamic Bond Fund-Retail	-	55.11	-	-	-
(j) Nil (Year 2009-10 - Nil, 2008-09 - 5,122,097, 2007-08 - Nil, 2006-07 - Nil) units of Birla SunLife FMP-Series1-Annual Dividend Reinvestment	-	-	51.22	-	-
(k) Nil (Year 2009-10 -Nil, 2008-09 - 5,154,010, 2007-08 - Nil, 2006-07 - Nil) units of Birla Sunlife Short Term Fund-Institutional Daily Dividend	-	-	51.57	-	-
(l) Nil (Year 2009-10 - 9,640,176, 2008-09 -3,184,611, 2007-08 - Nil, 2006-07 - Nil) units of Fortis Money Plus Institutional Plan Daily Dividend	-	96.42	31.85	-	-
(m) Nil (Year 2009-10 - Nil,2008-09 - 2,824,544, 2007-08 - Nil, 2006-07 - Nil) units of HDFC CMF-Treasure Advantage Plan Wholesale - Dividend	-	-	30.04	-	-
(n) Nil (Year 2009-10 - 8,926,486, 2008-09 -2,039,866, 2007-08 - Nil, 2006-07 - Nil) units of HDFC CMF-Saving Plan Daily Dividend Reinvestment	-	89.55	20.46	-	-
(o) Nil (Year 2009-10 - Nil, 2008-09 - 4,847,403, 2007-08 - Nil, 2006-07 -Nil) units of HDFC Short Term Plan-Dividend - Option Reinvestment	-	-	50.00	-	-

Particulars	As at				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
(p) Nil (Year 2009-10 - 6,429,310, 2008-09 -3,891,469, 2007-08 - Nil, 2006-07 - Nil) units of Reliance Medium Term Fund - Weekly Dividend Plan	-	109.94	66.61	-	-
(q) Nil (Year 2009-10 - 8,465,614, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of Reliance Regular Savings Fund-Debt Option	-	102.53	-	-	-
(r) Nil (Year 2009-10 - 5,362,896, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of units of Birla Sun Life Saving Fund-Institutional Daily Dividend	-	53.67	-	-	-
(s) Nil (Year 2009-10 - 2,920,163, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of ICICI Prudential Blended Plan-A	-	30.00	-	-	-
(t) Nil (Year 2009-10 - 6,098,135, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of IDFC Money Manager Fund-Investment Plan	-	61.07	-	-	-
(u) Nil (Year 2009-10 - 3,665,525, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of Kotak Equity Arbitrage Fund	-	38.71	-	-	-
(v) Nil (Year 2009-10 - 3,250,000, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of UTI FMP-Quarterly Series-Dividend Option	-	32.50	-	-	-
(w) 1,646,940 (Year 2009-10 - 1,646,940, 2008-09 -Nil, 2007-08 - Nil, 2006-07 - Nil) units of Birla Sun Life MIP 2 Saving 5-Growth Option	27.00	27.00	-	-	-
(x) 1,873,092 (Year 2009-10 - 1,873,092, 2008-09 -Nil, 2007-08 - Nil, 2006-07 - Nil) units of HDFC MF Monthly Income Plan-Short Term-Growth	30.00	30.00	-	-	-
(y) 61,329 (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of Birla Sunlife Cash Manager-IP Daily Dividend	28.11	-	-	-	-
(z) 5,650,629 (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of Birla	56.52	-	-	-	-

Particulars	As at				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Sun Life QRT Series 4-Dividend Payout					
(aa) 3,042,699 (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of Birla Sunlife Ultra Short Term Fund-Inst DD	30.44	-	-	-	-
(ab) 10,073,455 (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of BNP Overnight Fund-Inst Daily Dividend	100.76	-	-	-	-
(ac) 11,000,000 (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of HDFC FMP 370D Nov 2010 (1)	110.00	-	-	-	-
(ad) 5,000,000 (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of ICICI Pru FMP Series 54- 18 Months Plan A	50.00	-	-	-	-
(ae) 7,000,000 (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units IDFC Fixed Maturity Plan 100 Days - Dividend	70.00	-	-	-	-
(af) 5,000,469 (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of Kotak Credit Opportunities-Growth	50.00	-	-	-	-
(ag) 2,266,990 (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of Principal Cash Management Fund-Dividend Reinvest	22.67	-	-	-	-
(ah) 5,000,000 (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of Reliance Fixed Horizon Fund-XVI Series 3	50.00	-	-	-	-
(ai) 1,500,000 (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of Reliance Fixed Horizon Fund XVIII Series 6-Grow	15.00	-	-	-	-
(aj) 9,583,560 (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of Reliance Fixed Horizon Fund-XVIII Series 6 DP	95.84	-	-	-	-
(ak) 7,000,000 (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of Reliance Fixed Horizon Fund-XVIII Series 6 DP	70.00	-	-	-	-

Particulars	As at				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Nil, 2006-07 - Nil) units of Reliance Fixed Horizon XIV Series 11 Growth Opt					
(a1) 2,263,058 (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of Reliance Quarterly Interval Fund -Series	29.88	-	-	-	-
(am) 5,529,918 (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of Templeton India Income Opportunity Fund	57.50	-	-	-	-
(an) 7,198,051 (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of UTI Dynamic Bond-Dividend Reinvest	72.27	-	-	-	-
(ao) 4,802,049 (Year 2009-10 - Nil, 2008-09 - Nil, 2007-08 - Nil, 2006-07 - Nil) units of UTI Short Term Income Fund-IP-Dividend Reinvest	48.96	-	-	-	-
Total unquoted investments (B)	1,014.95	779.85	402.47	407.04	150.00
Total Investments (A+B)	1,159.71	779.85	402.47	407.04	150.00

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 Sundry Debtors (Unsecured)

₹ in million

Particulars	As at				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Debts outstanding for a period exceeding six months					
- Considered Good	-	-	0.04	-	0.11
Other debts (less than six months)					
- Considered Good	10.99	0.35	0.65	7.71	1.48
Total	10.99	0.35	0.69	7.71	1.59

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 VIII - Restated Consolidated Statement of Loans and Advances

₹ in million

Particulars	As at				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Unsecured, considered good					
Advances recoverable in cash or kind or for value to be received	80.12	19.56	30.45	10.68	18.64
Prepaid Gratuity	8.61	2.94	-	0.69	1.49
Deposits	74.27	50.56	33.61	24.41	21.61
Service tax input credit	11.03	3.25	4.43	1.65	-
Advance taxes (net of provision - 2010-11 - ₹ 282.55 million 2009-10 ₹ 162.63 million)	44.77	30.93	-	-	-
Total	218.80	107.24	68.49	37.43	41.74

Amounts due from Promoters / Promoter Group / Relatives of Directors / Subsidiary Companies / Associate Companies

₹ in million

Particulars	As at				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Rent Deposit - Mr. V. S. S. Mani	0.93	0.93	-	-	-
Rent Deposit - Mrs. Anita Mani	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) Included in advances recoverable in cash due from entities under same management is ₹ 10.21 million (2009-10 - ₹ 0.46 million, 2008-09, 2007-08 and 2006-07 - ₹ Nil)
- 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 Consolidated Statement of Secured and Unsecured Loans

Secured Loans

₹ in million

Particulars	As at				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Term Loans					
- Vehicle loans	3.16	4.71	0.29	1.19	2.63
(Secured against hypothecation of Motor Car for period of three years)					
Due within one year (₹ 1.67 million, 2009-10 - ₹ 1.55 million, 2008-09 - ₹ 0.29 million, 2007-08 - ₹ 0.90 million, 2006-07 - ₹ 1.44 million)					
	3.16	4.71	0.29	1.19	2.63
Rate of Interest (on vehicle loans)	8.85%	8.85%	7.91%	7.91%	7.91%

Unsecured Loans

₹ in Million

Particulars	As at				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Loans	-	-	-	-	-
	-	-	-	-	-

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) Amounts, other than that covered in Annexure VIII, due from Promoters / Promoter Group / Relatives of Directors / Subsidiary Companies / Associate Companies are ₹ Nil for 2010-11, 2009-10, 2008-09, 2007-08 and 2006-07.

Annexure X - Restated Consolidated Statement of Current Liabilities and Provisions

₹ in million

Particulars	As at				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Current Liabilities					
Sundry creditors					
Total outstanding dues of creditors other than micro and small enterprises	77.27	31.62	14.05	27.77	15.95
Deferred revenue	678.45	413.18	383.40	344.29	241.87
Other liabilities	182.38	133.50	87.64	75.28	57.65
Sundry deposits	0.57	0.27	0.49	1.08	-
	938.67	578.57	485.58	448.42	315.47
Provisions					
Provision for tax (net of advance tax of ₹ 34.67 million for 2008-09, ₹ 41.70 million for 2007-08 and ₹ 33.47 million for 2006-07)	-	-	13.36	14.95	4.43
Gratuity	-	-	1.91	-	-
Compensated absences	20.59	13.16	14.92	8.41	5.83
Proposed dividend (including dividend distribution tax)	-	-	-	2.60	-
	20.59	13.16	30.19	25.96	10.26

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 XI - Restated Consolidated Statement of Other Income

₹ in million							
Particulars	For the year ended March 31					Nature: Recurring/ non- recurring	Related / Not related to business activity
	2011	2010	2009	2008	2007		
Interest on bank deposits	1.30	8.40	7.59	4.95	14.58	Recurring	Not related
Interest on loans	0.21	-	-	-	-	Non- recurring	Not related
Dividend on current investment	28.61	25.84	29.40	14.38	0.01	Recurring	Not related
Profit on sale of assets (net)	-	0.16	0.72	0.30	2.89	Non- recurring	Not related
Profit on sale of current investment (net)	2.78	3.07	19.73	-	-	Non- recurring	Not related
Miscellaneous Income	3.61	1.09	1.48	0.53	0.71	Non- recurring	Not related
	36.51	38.56	58.92	20.16	18.19		

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 XII - Restated Consolidated Statement of Contingent Liabilities

₹ in million

Particulars	As at				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Demand notices Income tax in respect of Assessment years 2003-04, 2006-07, 2007-08 and 2008-09 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	11.53	7.97	7.13	2.39	2.39
Preference dividend: Cumulative dividend on 6% optionally convertible cumulative preference shares (includes dividend distribution tax of 2010-11 ₹ 31.23 million, 2009-10 - ₹ 24.96 million, 2008-09 - ₹ 17.29 million, 2007-08 ₹ 9.70 million and 2006-07 - ₹ 2.56 million)	215.00	171.84	119.03	66.81	17.60
	226.53	179.81	126.16	69.20	19.99

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.

Annexure XIII - Restated Consolidated Statement of Dividend

(Amount in ₹ in million except share and per share data)

Particulars	For the year ended March 31					
	Face value	2011	2010	2009	2008	2007
Issued, subscribed and fully paid-up						
Class of shares						
Equity Share Capital	10	519.05	8.56	8.56	8.56	8.56
Cumulative Redeemable Preference Shares of Series - A	10	1.96	2.52	2.52	2.52	2.08
1 (One) Cumulative Redeemable Preference Shares of Series - B	10	0.00*	0.00*	0.00*	0.00*	-
		521.01	11.08	11.08	11.08	10.64
Dividend on equity shares						
Dividend in %					20.00%	117.18%
Proposed Dividend	-	-	-	-	1.71	-
Interim Dividend	-	-	-	-	-	10.03
Dividend Tax (Including surcharge)	-	-	-	-	0.29	1.41
Dividend paid on preference shares						
Dividend in %	-	-	-	-	20.10%	-
Preference dividend	-	-	-		0.51	-
Dividend Tax (Including surcharge)	-	-	-		0.09	-
Dividend payable on preference shares						
Preference dividend	-	183.77	146.88	101.74	57.10	15.04
Dividend Tax (Including surcharge)	-	31.23	24.96	17.29	9.70	2.56

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.

* Amount less than 0.01 million

Annexure XIV - Restated Consolidated statement of Accounting Ratios

₹ in million (except per share data in ₹)

Particulars		For the year ended March 31				
		31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Basic earnings per share (₹)	A/B	4.71	2.74	0.35	(0.67)	(0.02)
Diluted earnings per share (₹)	A/C & A/C1	4.56	2.74	0.35	(0.67)	(0.02)
Net Profit after tax (after preference dividend and related tax) as restated attributable to equity shareholders	A	242.99	131.53	16.59	(32.11)	(1.17)
Weighted average no. of equity shares outstanding during the year (Refer Note 2 and 5 below)	B	51,591,690	47,948,208	47,948,208	47,948,208	54,188,400
Weighted average no. of equity shares (including ESOP) which should be considered for calculating Diluted EPS (Refer Note 6 below)	C	-	47,962,181	47,955,239	-	-
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	62,731,629	-	-	-	-
Net Profit after tax as restated	D	286.15	184.25	69.40	17.10	16.43
Net Worth (excluding preference share capital)	E	929.62	634.28	436.46	363.01	142.09
No. of equity shares outstanding at the end of the year (refer Note 4 below)	F	51,905,466	856,218	856,218	856,218	856,218
Return on Net Worth (%)	D / E *100	30.78%	29.05%	15.90%	4.71%	11.56%
Net asset value per equity share (₹) (refer Note 4 below)	E/F	17.91	740.79	509.75	423.97	165.95

Notes

1.) The Ratios have been computed as below:

a) Basic Earnings per share before adjusting exceptional item (₹)	$\frac{\text{Net profit after tax (as restated) attributable to shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$
b) Diluted Earnings per share before adjusting exceptional item (₹)	$\frac{\text{Net profit after tax (as restated)}}{\text{Weighted average number of diluted equity shares outstanding during the year}}$
c) Return on net worth (%)	$\frac{\text{Net profit after tax (as restated)}}{\text{Net worth at the end of the year excluding preference share capital}}$
d) Net asset value per share (₹)	$\frac{\text{Net worth at the end of the year excluding preference share capital}}{\text{Total number of equity shares outstanding at the end of the year}}$

- 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 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 = Equity share capital + Reserves and surplus (including Capital Redemption Reserve, Securities Premium, General Reserve and surplus in Profit and Loss Account) + Stock options outstanding.
- 4) 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.
- 5) 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.
- 6) The Company had 252,486 (2009-10: 252,486, 2008-09: 252,486, 2007-08: 252,486, 2006-07: 207,806) 6% cumulative convertible preference shares and 1 (2009-10: 1, 2008-09: 1, 2007-08: 1 and 2006-07: 1) 0.1% non-cumulative convertible preference shares outstanding at the end of the year. However, this has not been considered for diluted EPS for the year 2009-10, 2008-09, 2007-08 and 2006-07 as they are anti-dilutive in nature. ESOP issued to employees has not been considered for the years 2007-08 and 2006-07 since they are anti-dilutive in nature.
- 7) 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
- 8) The Company's IT testing business a will get demerged and Investment made by the company in JD Global will get cancelled after the approval of the scheme of arrangement described in note 17.2 of Annexure IVC, pursuant to which the reserves and surplus and correspondingly the net worth will stand reduced.
- 9) The figures disclosed above are based on the Restated Consolidated Summary Statements of the Company.

Annexure XV -Capitalisation Statement**₹ in million**

Particulars	Pre IPO as at March 31, 2011	As adjusted for IPO (Refer note 2 below)
Debt		
Short term debt (A)	1.67	
Long term debt (B)	1.49	
Total debt (A+B)	3.16	
Shareholders' funds		
- Equity Share Capital	519.05	
- Reserves and Surplus, as restated		
Share premium account	4.41	
Foreign currency translation reserve	(0.18)	
Profit and loss account	403.10	
Total funds attributable to equity shareholders (C)	926.38	
Long term debt / equity (B/C)	0.003:1	

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, 2011
- 4) On May 31, 2011 Company has allotted 968,060, 6% compulsory convertible non cumulative preference shares.
- 5) The Company's IT testing business will get demerged and Investment made by the company in JD Global will get cancelled after the approval of the scheme of arrangement described in note 17.2 of Annexure IVC, pursuant to which the Reserves and Surplus and correspondingly the net worth will stand reduced.

Annexure XVI - Restated Consolidated Statement of Related Party Disclosures

List of related parties

For the year ended					
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Key Management Personnel	Mr. VSS Mani	Mr. VSS Mani	Mr. VSS Mani	Mr. VSS Mani	Mr. VSS Mani
	Mr. V. Krishnan	Mr. V. Krishnan	Mr. V. Krishnan	Mr. V. Krishnan	Mr. V. Krishnan
	Mr. Ramani Iyer	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 Limited	None	None	None	None

Annexure XVI - Restated Consolidated Statement of Related Party Disclosures (contd.)

Details of Transactions with Related Parties

(₹ in million)						
S. No	Particulars	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
	Transactions during the year					
1	Key Management Personnel					
	Remuneration					
	Mr V.S.S. Mani	2.40	2.40	2.40	2.31	1.87
	Mr Ramani Iyer	9.23	6.38	3.73	3.76	2.29
	Mr V. Krishnan	9.23	6.38	3.73	3.76	2.31
		20.86	15.16	9.86	9.83	6.47
	Lease rental paid					
	Mr V.S.S. Mani	2.29	2.17	1.25	1.22	1.11
		2.29	2.17	1.25	1.22	1.11
	Security deposit given					
	Mr V.S.S. Mani	-	0.93	-	-	-
		-	0.93	-	-	-
	Preference shares issued					
	Mr V.S.S. Mani	-	-	-	0.00*	-
		-	-	-	0.00*	-
	Advance from Director					
	Mr. V.S.S Mani	-	0.89	-	-	-
			0.89	-	-	-
2	Relatives of Key management Personnel					
	Lease rental paid					
	Mrs Anita Mani	2.29	2.17	1.25	1.22	1.11
		2.29	2.17	1.25	1.22	1.11
	Security deposit given					
	Mrs Anita Mani	-	0.93	-	-	-
		-	0.93	-	-	-
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	144.76	-	-	-	-
		144.76	-	-	-	-
	Loan given during the year					
	i) Just Dial Global Private Limited	29.08	0.46	-	-	-
		29.08	0.46	-	-	-
	Loan Repaid during the year					
	i) Just Dial Global Private Limited	19.54	-	-	-	-
		19.54	-	-	-	-
	Sale of Asset during the year					
	i) Just Dial Global Private Limited	16.65	-	-	-	-
		16.65	-	-	-	-
	Cost Reimbursement during the year					
	i) Just Dial Global Private Limited	3.37	-	-	-	-
		3.37	-	-	-	-

S. No	Particulars	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08		31-Mar-07
	Interest income during the year						
	i) Just Dial Global Private Limited	0.21	-	-	-		-
		0.21	-	-	-		-
	Balance Outstanding at the year end						
1	Key Management Personnel						
	Remuneration Payable						
	Mr V.S.S. Mani	0.13	0.14	2.31	0.13		0.12
	Mr Ramani Iyer	1.59	1.32	2.28	0.13		0.12
	Mr V. Krishnan	1.57	1.30	2.28	0.43		0.12
		3.29	2.76	6.87	0.69		0.36
	Security Deposit						
	Mr V.S.S. Mani	0.93	0.93	-	-		-
		0.93	0.93	-	-		-
	Advance from Director						
	Mr. V.S.S Mani	0.87	0.89	-	-		-
		0.87	0.89	-	-		-
	Relatives of Key management Personnel						
	Security Deposit						
	Mrs Anita Mani	0.93	0.93	-	-		-
		0.93	0.93	-	-		-
	Enterprises owned or significantly influenced by Key Management Personnel or their relatives						
	i) Loan to Just Dial Global Private Limited	10.21	0.46	-	-		-
	ii) Investment in Just Dial Global Private Limited	144.76	-	-	-		-
		154.97	0.46	-	-		-

Note:

* Amount less than ₹ 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 section entitled "Summary Financial Information," and our restated consolidated summary statements and the related notes included elsewhere in this Draft Red Herring Prospectus. This discussion contains forward-looking statements and involves numerous risks and uncertainties, including, but not limited to, those described in the "Risk Factors" section of this Draft Red Herring Prospectus. Actual results could differ materially from those contained in any forward-looking statements.

Overview

We are a leading local search engine 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 2011, we addressed over 180 million search queries from millions of users across platforms. As of June 30, 2011, we were conducting approximately 139,500 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 120,200 as of March 31, 2011.

We have a large database of approximately 6.0 million listings as of June 30, 2011. 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 income increased from ₹ 502.4 million in fiscal 2007 to ₹ 1,899.1 million in fiscal 2011, representing a CAGR of 39.4%. Our consolidated total income increased in fiscal 2011 by 40.9% over fiscal 2010. Our consolidated restated profits after tax increased from ₹ 16.4 million in fiscal 2007 to ₹ 286.2 million in fiscal 2011, representing a CAGR of 104.3%. Our consolidated restated profits after tax increased in fiscal 2011 by 55.3% over fiscal 2010. We discontinued our print business in fiscal 2011. Excluding the impact of the print business in both fiscal 2011 and 2010, our consolidated total income increased in fiscal 2011 by 58.4% over fiscal 2010.

Divestment of JD USA

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 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. JD Global paid an aggregate amount of ₹ 22.03 million to us as consideration. We are required to notify the sale of JD USA to the RBI under FEMA regulations through our authorized dealer in India. In its notification letter to the RBI, our authorised dealer has stated that the sale of JD USA by us was done pending the regularizing of other prior transactions involving certain contraventions by us of FEMA Regulations. For details of such contraventions, see “Risk Factors - We have received a letter dated July 27, 2011 from the RBI alleging contravention of certain regulations under FEMA, which pertain to the remittance of funds by our Company to JD USA” on page 20.

For fiscal 2011, JD USA had total assets of ₹ 36.34 million and total revenue of ₹ 23.28 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 no longer a subsidiary of our Company, we will not consolidate JD USA. Accordingly, our consolidated financial statements for fiscal 2011 may not be fully comparable to our financial statements for fiscal 2012.

For further details, see “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 pages 142 and 140, respectively.

Scheme of Demerger

On April 15, 2011, our Board approved a scheme of arrangement that provides for the demerger of activities and operations pertaining to IT-related testing and other related services of our Company, comprising all related assets, liabilities, employees, rights and powers, and including all investments made by our Company in the shares of JD Global (the “Demerged Undertaking”) from our Company and transferring those to JD Global with effect from July 1, 2011 or such other date as may be fixed by the High Court of Bombay. As consideration for the transfer of Demerged Undertaking, JD Global will issue and allot its shares to our shareholders who were holding our equity or preference shares as on July 1, 2011. Our Company proposes to apply to the High Court of Bombay to change the date from which the Scheme is to take effect, i.e., from July 1, 2011 to August 1, 2011 and other consequential changes, if any.

Upon the Scheme becoming effective, our aggregate investment in JD Global of ₹ 724.76 million will be written down and the preference shares held by us in JD Global will be cancelled. In addition, approximately ₹ 0.40 million will be written down on account of the book value of assets and liabilities of the Demerged Undertaking. The difference between the value of the assets (including the preference shares held by us in JD Global which will be cancelled pursuant to the Scheme) and the liabilities will be first adjusted against our securities premium account, to the extent available, followed by the general reserve account, and the balance, if any, against the profit and loss account. To the extent that the amount is required to be adjusted against the securities premium account, the Scheme proposes a reduction of capital of our Company in accordance with the provisions of the Companies Act. Accordingly, if the Scheme becomes effective, the net worth and book value per Equity Share of our Company will be substantially reduced from the consolidated net worth and book value per Equity Shares of our Company as of March 31, 2011. See Risk Factors - We are currently in the process of transferring our activities and operations pertaining to IT related testing and other related services to JD Global, which requires court approval and which may result in a reduction in our capital and profit and loss account” on page 17.

The Scheme is awaiting approval by the High Court of Bombay. The Scheme will become effective on the date on which the order of the High Court of Bombay approving the Scheme is filed with the RoC .

See “History and Certain Corporate Matters— Scheme of Arrangement between our Company, Just Dial Global Private Limited and their respective shareholders and creditors” on page 138 for more details.

Certain Observations noted by Auditors

In connection with the audits of our unconsolidated financial statements for fiscal 2010 and 2011, our auditors identified deficiencies in certain aspects of our internal controls over financial reporting specified in the Companies (Auditors Report) Order, 2003, as amended, in the annexure to their audit reports.

The deficiencies identified in fiscal 2010 were as follows:

- 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.

The deficiencies identified in fiscal 2011 was as follows:

- i. material discrepancies were identified on verification of fixed assets during fiscal 2011;
- ii. there were serious delays in a large number of cases in deposit of employees' state insurance with appropriate authorities; and
- iii. 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.

Remedial measures by our Company

1. The deficiencies identified under (a) and (c) in fiscal 2010 were remedied in fiscal 2011.
2. The physical verification of assets described under (b) in fiscal 2010 was completed in fiscal 2011 and material discrepancies were identified as described under (i) in fiscal 2011. An aggregate amount of ₹ 12.2 million was written off to address the discrepancies.
3. The deficiency identified under (d) above was partially remedied. Regarding the delay in deposit of the ESIC and outstanding dues in respect of the ESIC, please see “- ESIC” below.

ESIC

In January 2011, we received a show cause notice for the applicability of Employees State Insurance Corporation Act (“ESIC Act”), subsequent to which an assessment order was issued by the ESIC authorities, which assessed a liability of ₹ 6.53 million against us for the period up to September 2010. The order, however, preserves ESIC authorities' right to inspect our records and determine our contribution under the ESIC Act on the basis of the inspection.

We have deposited ₹ 4.47 million with ESIC under protest and are contesting the remaining ₹ 2.06 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 ESIC Act are not applicable to us. However, we have recorded a provision of ₹ 32.12 million in our books of accounts for any liability that may arise under the ESIC Act for the five years ended March 31, 2011.

See the section titled “Risk Factors - Our auditors have identified certain deficiencies as part of audits of our unconsolidated financial statements for fiscal 2010 and 2011, 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 19 and 20, 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 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 our 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
- *Personnel expenses.* Our business operations is labour intensive and personnel 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 4,868 employees as of March 31, 2011 and our personnel expenses were ₹ 522.77 million, ₹ 668.82 million and ₹ 942.41 million for fiscal 2009, fiscal 2010 and fiscal 2011, respectively, which was 56.9%, 49.6% and 49.6% of our total income in those years, 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 to manage the inflation in employees' wages affects our results of operations. Please see "Business — Sales, Marketing and Business Development" and "Business — Employees" on pages 126 and 130, respectively, for further details. We expect our personnel expenses to increase in the future as we hire additional employees and increase our expenditure on staff welfare and other benefits.

- *Macroeconomic factors.* As we estimate that approximately 39% of our revenue is generated from Mumbai and Delhi markets, with the bulk of the remainder from our 11 large cities (being the major metropolitan cities in India), our business operations are particularly susceptible to the economies in these markets. During fiscal 2011, 48.0% of the total number of search requests we received were conducted through our Internet and mobile Internet based platforms, while 52.0% 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 consolidated financial statements. For more information on each of these policies, see our restated consolidated summary statements included in this Draft Red Herring Prospectus.

Intangible Assets

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

Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term 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.

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 and reseller contracts are recognized pro-rata over the contract period. Revenues from lead based contracts are recognized as per the usage as per provision of leads to the customer. 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 prorated over a period of 12 months.

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 financial statements for fiscals 2007, 2008 and 2009.

Employee Stock Compensation Cost

Measurement and disclosure of the employee share-based payment plans is done in accordance the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. We measure compensation cost relating to employee stock options using intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

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.

Our Income

Income from Operations

Substantially all of our income 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.

We also generate income 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 Expenditures

Our expenditure primarily consists of the following:

- *Operating and 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 and other office expenses;
- *Personnel expenses*, which reflect salaries, incentives and bonus, directors' remuneration, employee conveyance, staff welfare costs and other payments and amounts reserved to fulfill our statutory obligations to our employees. Personnel expenses also include costs for training of employees and medical and medical-claim expenses;
- *Financial expenses*, which reflect bank charges payable by us and interest on certain vehicle loans availed by us for use in our business, and credit card expenses; and
- *Depreciation / Amortization*, which consists of depreciation / amortization on assets which we own.

The following table sets forth each of our consolidated income and consolidated expenses expressed as a percentage of total income and total expenditure, respectively, for each of the periods indicated:

	Fiscal					
	2009		2010		2011	
	(₹ in millions)	(%)	(₹ in millions)	(%)	(₹ in millions)	(%)
INCOME						
Income from operations.....	859.22	93.58	1,309.07	97.14	1,862.61	98.08
Other income	58.92	6.42	38.56	2.86	36.51	1.92
Total income.....	918.14	100.00	1,347.63	100.00	1,899.12	100.00
EXPENDITURE						
Operating and other expenses.....	255.11	30.94	339.01	31.85	460.48	31.15
Personnel expenses	522.77	63.42	668.82	62.83	942.41	63.75
Financial expenses	5.64	0.69	4.20	0.38	5.03	0.35
Depreciation / amortization	40.81	4.95	52.53	4.94	70.25	4.75
Total expenditure	824.33	100.00	1,064.56	100.00	1,478.17	100.00

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 fiscal 2011 and in fiscal 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 tax benefit.* 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 33.99% 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 had fringe benefit tax of ₹ nil in fiscal 2010 or in any subsequent period.

Our Results of Operations

The following table sets forth a breakdown of our consolidated results of operations and each item as a percentage of our total income for the periods indicated:

	Fiscal					
	2009		2010		2011	
	(₹ in millions)	(%)	(₹ in millions)	(%)	(₹ in millions)	(%)
INCOME						
Income from operations.....	859.22	93.58	1,309.07	97.14	1,862.61	98.08
Other income	58.92	6.42	38.56	2.86	36.51	1.92
Total income.....	918.14	100.00	1,347.63	100.00	1,899.12	100.00
EXPENDITURE						
Operating and other expenses.....	255.11	27.79	339.01	25.16	460.48	24.25
Personnel expenses	522.77	56.94	668.82	49.63	942.41	49.62
Financial expenses	5.64	0.61	4.20	0.31	5.03	0.26
Depreciation / amortization	40.81	4.45	52.53	3.90	70.25	3.70
Total expenditure	824.33	89.79	1,064.56	79.00	1,478.17	77.83
Restated profit before tax	93.81	10.22	283.07	21.01	420.95	22.17
Tax expense						
Current tax	35.17	3.83	-	-	119.31	6.28
Deferred tax charge/(credit).....	(13.65)	(1.49)	98.82	7.33	15.49	0.82
Fringe benefit tax	2.89	0.32	-	-	-	-

Total tax expense.....	24.41	2.66	98.82	7.33	134.80	7.10
Restated profit after tax before minority interest	69.40	7.56	184.25	13.67	286.15	15.07

Fiscal 2011 Compared to Fiscal 2010

Our fiscal 2010 results include results relating to our yellow pages publishing business 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 income. We had total income of ₹ 1,899.12 million in fiscal 2011, an increase of 40.92% over our total income of ₹ 1,347.63 million in fiscal 2010. This increase in total income was primarily due to a 42.28% increase in income from operations in fiscal 2011 from fiscal 2010.

Income from Operations. Our income from operations increased 42.28% from ₹ 1,309.07 million in fiscal 2010 to ₹ 1,862.61 million in fiscal 2011. The increase in income 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 income 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 income from print business was ₹ 148.45 million. In fiscal 2011, we had income of ₹ nil from the print business. Excluding the impact of print business, our income from operations increased from ₹ 1,160.62 million in fiscal 2010 to ₹ 1,862.61 in fiscal 2011, an increase of 60.48%.

Our income from operations has increased as we have increasingly focused our marketing efforts on tenure-based contracts (annual or long-term automatically renewable), rather than lead-listed contracts where paid advertisers pay for the number of leads they are provided on a daily basis. We have stopped offering new lead-listed contracts from June 1, 2011.

- **Other income.** Our other income decreased 5.32%, from ₹ 38.56 million in fiscal 2010 to ₹ 36.51 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 totaled ₹ 1,478.17 million in fiscal 2011, a 38.85% increase over our total expenditure of ₹ 1,064.56 million in fiscal 2010. This increase in total expenditure was primarily due to increased personnel expenses and operating expenses in line with the growth of our business. As a percentage of our total income, our expenditure decreased slightly from 79.00% in fiscal 2010 to 77.83% in fiscal 2011.

Our fiscal 2010 expenditure includes ₹ 19.99 million of publication expense relating to our print business while we had publication expense of ₹ nil 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 87.11% in fiscal 2010 to 77.83% in fiscal 2011.

- **Personnel expenses.** Our personnel expenses totaled ₹ 942.41 million in fiscal 2011, a 40.91% increase over our personnel expenses of ₹ 668.82 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.
- **Operating expenses.** Our operating expenses totaled ₹ 460.48 million in fiscal 2011, a 35.83% increase over operating expenditure of ₹ 339.01 million in fiscal 2010. The increase in operating 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.

- *Financial expenses.* Our financial expenses totaled ₹ 5.03 Million in fiscal 2011, a 19.76% increase over financial expenses of ₹ 4.20 Million in fiscal 2010, which was principally attributable to increased bank interest on an outstanding car loan, and increase in credit card charges due to an increase in sales.
- *Depreciation / amortization.* Depreciation / amortization totaled ₹ 70.25 million in fiscal 2011, a 33.73% increase over depreciation / amortization of ₹ 52.53 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.

Restated profit before tax. As a result of the factors outlined above, our restated profit before tax increased 48.71% from ₹ 283.07 million in fiscal 2010 to ₹ 420.95 million in fiscal 2011. As a percentage of total income, our profit before tax increased from 21.01% in fiscal 2010 to 22.17% in fiscal 2011.

Tax expenses.

- *Current tax.* We recorded a current tax of ₹ 119.31 million for fiscal 2011. We had current tax charge of ₹ nil 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 of ₹ 15.49 million in fiscal 2011 as compared to deferred tax charge of ₹ 98.82 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 in the restated financial statements. A major proportion of such deferred tax assets emanate from tax paid by our Company on its collected revenue in the previous financial years. The deferred tax liabilities appearing in each of the audited financial statements for fiscals 2009, 2008 and 2007 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 in the restated financial statements for fiscals 2009, 2008 and 2007. See “— Critical Accounting Policies”.

Restated profit after tax before minority interest. As a result of the factors outlined above, our restated profits after tax increased 55.31%, from ₹ 184.25 million in fiscal 2010 to ₹ 286.15 million in fiscal 2011.

Fiscal 2010 Compared to Fiscal 2009

Total income. We had total income of ₹ 1,347.63 million for fiscal 2010, an increase of 46.78% over total income of ₹ 918.14 million for fiscal 2009. This increase in total income was primarily due to a 52.36% increase in income from operations in fiscal 2010 from fiscal 2009.

- *Income from Operations.* Our income from operations increased 52.36%, from ₹ 859.22 million for fiscal 2009 to ₹ 1,309.07 million for fiscal 2010. The increase in income from operations was primarily due to improved economic conditions, greater marketing efforts, the offering of fixed tenure based contracts rather than only lead based contracts, introduction of installment-based payment system and an increase in call and Internet search traffic. The increase in income from operations is reflected in the increase in the number of campaigns from approximately 40,500 as of March 31, 2009 to approximately 61,500 as of March 31, 2010.
- *Other income.* Our other income decreased 34.55%, from ₹ 58.92 million in fiscal 2009 to ₹ 38.56 million in fiscal 2010. This was primarily due to lower profits from the sale of investments in fiscal 2010 as compared to fiscal 2009.

Total expenditure. Our expenditure totaled ₹ 1,064.56 million for fiscal 2010, a 29.14% increase over our total expenditure of ₹ 824.33 million for fiscal 2009. This increase in total expenditure was primarily due to increased personnel and operating expenses in line with the growth of our business.

- *Personnel expenses.* Our personnel expenses totaled ₹ 668.82 million in fiscal 2010, a 27.94% increase over our personnel expenses of ₹ 522.77 million in fiscal 2009, which was principally attributable to increase in the number of employees from 3,058 employees as of March 31, 2009 to 3,763 employees as of March 31, 2010 as well as an increase in remuneration levels.
- *Operating expenses.* Our operating expenses totaled ₹ 339.01 million in fiscal 2010, a 32.89% increase over our operating expenditures of ₹ 255.11 million in fiscal 2009. This increase was principally attributable to the increase in expenditure on rent resulting from the addition of several leased offices across India. The growth of our business also resulted in a corresponding increase in expenditure on communication costs, travel expenses and advertisement and sales promotion expenses.
- *Financial expenses.* Our financial expenses totaled ₹ 4.20 million in fiscal 2010, a 25.53% decrease over financial expenses of ₹ 5.64 million in fiscal 2009, which was principally attributable to decreased credit card charges during fiscal 2010.
- *Depreciation / amortization.* Depreciation / amortization totaled ₹ 52.53 million in fiscal 2010, a 28.72% increase over depreciation / amortization of ₹ 40.81 million in fiscal 2009, which was principally attributable to increased in fixed assets required for the addition and/or expansion of offices in various cities.

Restated profit before tax. As a result of the factors outlined above, our restated profit before tax increased 201.75%, from ₹ 93.81 million in fiscal 2009 to ₹ 283.07 million in fiscal 2010.

Tax expenses.

- *Current tax.* We had current tax of ₹ nil for fiscal 2010, due to a credit for surplus taxes paid by us in prior years. The current tax was ₹ 35.17 million in fiscal 2009.
- *Deferred tax charge / (credit).* We recorded a deferred tax charge of ₹ 98.82 million in fiscal 2010 as compared to deferred tax credit of ₹ (13.65) million in fiscal 2009. This was principally due to the reversal of deferred taxes recognized in prior years when our revenue was taxed based on our collection revenue.
- *Fringe benefit tax.* We recorded a fringe benefit tax of ₹ 2.89 million for fiscal 2009. As the fringe benefit tax abolished in fiscal 2010, we recorded fringe benefit tax of ₹ nil in fiscal 2010 or in any subsequent period.

Restated profit after tax before minority interest. As a result of the factors outlined above, our restated profits after tax increased 165.49%, from ₹ 69.40 million in fiscal 2009 to ₹ 184.25 million in fiscal 2010.

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 centers 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, the proceeds from the Offering 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 Draft Red Herring Prospectus.

As of March 31, 2011, we had, on a consolidated basis, ₹ 1,216.12 million of cash and bank balance and investments (excluding our investment in JD Global) compared to total debt of only ₹ 3.16 million, 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 (excluding our investment in JD Global) and cash and bank balances as at the dates indicated:

	As at March 31,		
	2009	2010	2011
	(₹ in millions)		
Investments (excluding investment in JD Global)	402.47	779.85	1,014.95
Cash and bank balances	<u>204.58</u>	<u>121.48</u>	<u>201.17</u>
TOTAL	607.05	901.33	1,216.12

The following table sets forth certain information concerning our cash flows for the periods indicated:

	Fiscal		
	2009	2010	2011
	(₹ in millions)		
Net cash from/(used in) operating activities	61.41	349.84	604.67
Net cash from/(used in) investing activities	(98.49)	(297.55)	(527.82)
Net cash from/(used in) financing activities	(3.55)	5.89	(1.09)

Net Cash From/(Used In) Operating Activities

For fiscal 2011, our net cash from operating activities was ₹ 604.67 million, primarily due to an increase in revenue and net profits and current liabilities during the year. For fiscal 2010, our net cash from operating activities was ₹ 349.84 million, reflecting an increase in revenue and net profits and current liabilities during the year. For fiscal 2009, our net cash from operating activities was ₹ 61.41 million, reflecting an increase in revenue and net profits during the year. Our deferred revenue (which is a part of our current liabilities) increased from ₹ 413.18 million in fiscal 2010 to ₹ 678.45 million in fiscal 2011 due to the correction in the application of our revenue recognition policy. See “— Critical Accounting Policies — Revenue Recognition”.

Net Cash From/(Used In) Investing Activities

For fiscal 2011, our net cash used in investing was ₹ 527.82 million, principally due to an increase in investments and the addition of fixed assets. For fiscal 2010, our net cash used in investing activities was ₹ 297.55 million, principally due to an increase in investments and the addition of fixed assets. For fiscal 2009, our net cash used in investing activities was ₹ 98.49 million, principally due to increased investments and the addition of fixed assets.

Net Cash From/(Used In) Financing Activities

For fiscal 2011, our net cash used in financing activities was ₹ 1.09 million, primarily due to the repayment of vehicle loans. For fiscal 2010, our net cash from financing activities was ₹ 5.89 million, primarily due to drawdown of secured loans. For fiscal 2009, our net cash used in financing activities was ₹ 3.55 million, primarily due to the repayment 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 and computer 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		
	2009	2010	2011
	(₹ in millions)		
Cash used in purchase of fixed assets and cash from net of proceeds from sale of fixed assets.....	59.46	98.76	175.78

Planned Capital Expenditures

We estimate our planned capital expenditures for the period between April 1, 2011 and March 31, 2012 to be ₹ 381.21 million and to be used to establish new premises, procurement and upgrading of computer hardware and the development of computer software related to our business.

The anticipated sources of funding for our planned capital expenditures are the proceeds from this Offering, 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 March 31, 2011, our contractual obligations with definitive payment terms. These obligations primarily relate to rent incurred under leases of our offices across India.

	As of March 31, 2011				
Total	Less than 1 year	1 to 3 years	3 to 5 years	After 5 years	
(₹ in millions)					
Lease rent	549.48	103.34	151.44	175.63	119.07

Contingent Liabilities

As of March 31, 2011, 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 and 2008.

Preference dividend: The cumulative dividend payable by us on our 6% optionally convertible cumulative preference shares (including a dividend distribution tax). These preference shares will be converted into Equity Shares prior to the filing of the Red Herring Prospectus.

Please see the section “Financial Statements - Annexure IVC (*Notes to the restated unconsolidated summary statements of assets and liabilities, profits and losses and cash flows for the years ended March 31, 2011, 2010, 2009, 2008 and 2007*) – note 17”, “- Annexure XII (*Restated Unconsolidated Statement of Contingent Liabilities*)”, “- Annexure IVC (*Notes to the restated consolidated summary statements of assets and liabilities, profits and losses and cash flows for the years ended March 31, 2011, 2010, 2009, 2008 and 2007*) – note 15” and “- Annexure XII (*Restated Consolidated Statement of Contingent Liabilities*)” 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.

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, as of the date of this Draft 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

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 Draft 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 section entitled “Risk Factors”, elsewhere in this “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this Draft Red Herring Prospectus, 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 section entitled “Risk Factors”, elsewhere in this “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this Draft Red Herring Prospectus, 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 this Draft Red Herring Prospectus, 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 entitled “Risk Factors” and “Business” beginning on pages 14 and 116, respectively, of this Draft Red Herring Prospectus.

Significant Developments After March 31, 2011 that May Affect Our Future Results of Operations

Except as disclosed in this Draft Red Herring Prospectus (including without limitation, the disclosure under “Divestment of JD USA” and “Scheme of Demerger”) and as mentioned below, to our knowledge, there is no subsequent development after the date of our financial statements contained in this Draft Red Herring Prospectus which materially and adversely 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.

Except as disclosed in this Draft Red Herring Prospectus (including without limitation, the disclosure under “Divestment of JD USA” and “Scheme of Demerger”), there is no subsequent development after the date of the Auditor’s Report which we believe is expected to have a material impact on our reserves, profits, earnings per share or book value.

FINANCIAL INDEBTEDNESS

Details of fund based facilities availed by our Company:

Name of the Lender	Details of the Agreement	Purpose	Amount Sanctioned (₹ in million)	Interest (p.a.)	Repayment	Security
HDFC Bank Limited	Auto loan agreement dated February 13, 2010	Purchase of vehicle, all accessories and incidental expenses	4.99	8.85	Repayable in 35 monthly instalments of ₹ 153,612 each from March 7, 2010 to January 7, 2013	First and exclusive charge by way of hypothecation on the purchased vehicle

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

Civil Cases

1. 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 August 27, 2010. The matter is currently pending.
2. Essae Technologys Private Limited (“Essae”) has filed a suit dated June 21, 2010 before the Court of the Small Causes Judge, Bangalore against our Company whereby Essae has alleged that our Company failed to provide advertising services as per the agreement between Essae and our Company. Essae has claimed an amount of ₹ 98,819 with interest. Our Company has denied Essae’s allegations and has filed its written statement in the matter. The matter is currently pending.

Consumer Complaints

1. Six 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 ₹ 1,245,269 with interest and other costs. The matters are currently pending at various stages of adjudication.
2. Three 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 ₹ 271,260 with interest and other costs. The matters are currently pending at various stages of adjudication.

Income Tax Cases

1. Our Company has filed an appeal dated April 22, 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 ₹ 4,746,182. The matter is currently pending.

2. Our Company has filed an appeal dated February 3, 2010 before the Commissioner of Income Tax (Appeals)-20, Mumbai challenging the order dated December 23, 2009 and the demand notice dated February 15, 2010 issued by the Deputy Commissioner of Income Tax-9(2), Mumbai. The order and the 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 addition of a short term capital loss and the disallowing of legal and professional fees from its business income. The amount involved in the matter is ₹ 3,647,953. The matter is currently pending.
3. 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. The matter is currently pending.
4. 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. The matter is currently pending.

Notices

1. The RBI has 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 states 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 has advised our Company to file an application to compound the contravention within 45 days from the date of the RBI Letter. The RBI Letter further states that if the application for compounding is not received by the RBI within 45 days of the RBI Letter, the provisions of FEMA relating to contravention shall apply to our Company. Our Company is yet to file the compounding application. However, our Company, in its letter dated August 1, 2011, has 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. The matter is currently pending.

Litigation by our Company

Civil Cases

1. Our Company has filed a suit dated September 8, 2008 before the High Court of Delhi against Infodial Telemedia Private Limited ("Infodial"), its managing director and another, seeking *inter alia* a permanent injunction against Infodial, its directors and employees etc. restraining them from carrying on any business

under a name that is identical or deceptively similar to that of our Company or providing any services through the website www.infodial.com or by any other means as such service is based on information copied from our Company's database along with damages amounting to ₹ 2 million. Our Company has alleged *inter alia* that Infodial has infringed the intellectual property rights of our Company and that carrying on business through the website www.infodial.com amounts to passing off by Infodial. The matter is currently pending.

Criminal Cases

Litigation involving our Directors

V.S.S. Mani

Litigation against V.S.S. Mani

1. Two consumer complaints have been filed before District Consumer Disputes Redressal Forums in Thane, Maharashtra and New Delhi against V.S.S. Mani alleging *inter alia* deficiency in service and unfair trade practices. The aggregate amount involved in these matters is ₹ 379,656 with interest and other costs. The matters are currently pending at various stages of adjudication.
2. For details of other litigation 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" on page 282.

Litigation by V.S.S. Mani

Nil

Ramani Iyer

Litigation against Ramani Iyer

Nil

Litigation by Ramani Iyer

Nil

V. Krishnan

Litigation against V. Krishnan

Nil

Litigation by V. Krishnan

Nil

Ravi Adusumalli

Litigation against Ravi Adusumalli

Nil

Litigation by Ravi Adusumalli

Nil

Sandeep Singhal

Litigation against Sandeep Singhal

Nil

Litigation by Sandeep Singhal

Nil

B. Anand

Litigation against B. Anand

Nil

Litigation by B. Anand

Nil

Sanjay Bahadur

Litigation against Sanjay Bahadur

1. The Custom 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.

Litigation by Sanjay Bahadur

Nil

Malcolm Monteiro

Litigation against Malcolm Monteiro

Nil

Litigation by Malcolm Monteiro

Nil

Litigation involving our Promoters

V.S.S. Mani

Litigation against V.S.S. Mani

1. For details of the litigation 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 involving our Directors – Litigation against V.S.S Mani” on pages 282 and 284, respectively.

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

Nil

Litigation by Ramani Iyer

Nil

V. Krishnan

Litigation against V. Krishnan

Nil

Litigation by V. Krishnan

Nil

Litigation involving our Group Companies

JD Global

Nil

JD USA

Nil

Superstar Ventures Private Limited

Nil

Material developments since March 31, 2011

For the details of material developments since March 31, 2011, please see the section “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Significant Developments After March 31, 2011 that May Affect Our Future Results of Operations” on page 280.

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 this Issue 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 Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Draft 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 Issue

1. In-principle approval dated [●], 2011 from the BSE.
2. In-principle approval dated [●], 2011 from the NSE.
3. Letter dated [●] from the RBI approving the transfer of Equity Shares by the Selling Shareholders in the Offer for Sale.

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 December 28, 2010 issued by the Assistant Director General, Telecom Enforcement, Resources and Monitoring (“TERM”), DoT, Bangalore, GoI for setting up an International OSP Centre at Bangalore, valid up to December 27, 2013.
2. 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.
3. 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.
4. 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.

5. 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, 2030.
6. 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.
7. 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.
8. Certificate of renewal of registration dated February 8, 2010 issued by the Assistant Director General, TERM, DoT, Kolkata, GoI for the existing Domestic OSP Centre at Kolkata, valid up to January 10, 2030.
9. Certificate of extension of renewal of registration dated February 3, 2010 issued by the Assistant Director General, TERM, DoT, Mumbai, GoI for the existing Domestic OSP Centre at Mumbai, valid up to February 2, 2020.
10. Certificate of registration dated January 21, 2010 issued by the Assistant Divisional Engineer, TERM, DoT, Bangalore, GoI for setting up a Domestic OSP Centre at Bangalore, valid up to January 20, 2030.
11. Certificate of registration dated October 22, 2008 issued by the Assistant Divisional Engineer, TERM, DoT, Mumbai, GoI for setting up an International OSP Centre at Mumbai, valid up to October 21, 2028.

B. Telemarketing Registrations

Certificate of registration dated January 17, 2011 issued by TRAI for registration as a telemarketer for our Company's telemarketing centres at Ahmedabad, Bangalore, Chandigarh, Chennai, Coimbatore, Hyderabad, Jaipur, Kolkata, Mumbai, Noida and Pune, valid up to January 16, 2014.

C. Shops and Establishments Registrations

1. Certificate of renewal of registration dated December 14, 2010 issued by the Inspector under the Bombay Shops and Establishments Act, 1948 certifying registration for our office situated at 401 & 402, Palm Spring, New Link Road, Malad West, Mumbai, valid up to December 31, 2011.
2. Certificate of renewal of registration dated December 14, 2010 issued by the Inspector under the Bombay Shops and Establishments Act, 1948 certifying registration for our office situated at M-601/B, Building-M, Palm Court Complex, Malad, Mumbai, valid up to December 31, 2011.
3. Certificate of renewal of registration dated December 9, 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, valid up to December 31, 2011.
4. Certificate of renewal of registration dated December 9, 2010 issued by the Inspector under the Bombay Shops and Establishments Act, 1948 certifying registration for our office situated at M-501/B, 5th floor, Palm Court Building-M, Link Road, Malad (West), Mumbai, valid up to December 31, 2011.
5. Certificate of registration dated November 2, 2007 issued by the Labour Inspector, Circle-II, Chandigarh certifying registration for our office situated at SCO-7, II Floor, Dakshin Marg, Sector

20-D, Chandigarh renewed up to March 31, 2012.

6. 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, 7th Floor, Gujarat Bhavan, Ashram Road, Ahmedabad renewed up to December 31, 2015.
7. Certificate of renewal of registration dated June 21, 2011 issued by the Registering Authority under the West Bengal Shops and Establishments Act, 1963 certifying registration for our office situated at 216, Sarat Bose Road, Kolkata, valid up to July 7, 2014.
8. Certificate of renewal of registration dated May 10, 2011 issued by the Deputy Commissioner of Labour, Hyderabad certifying registration under the Andhra Pradesh Shops and Establishments Act, 1988 for our office situated at Pawani Plaza, Panjagutta, Hyderabad, valid up to December 31, 2011.
9. Certificate of renewal of registration dated October 26, 2009 issued by the Inspector under the Karnataka Shops and Commercial Establishments Act, 1961 certifying registration for our office situated at Bangalore, valid up to December 31, 2014.
10. Certificate of renewal of registration dated March 31, 2010 issued by the Inspector, Shops and Establishments, Jaipur under the Rajasthan Shops and Commercial Establishment Act, 1958 certifying registration for our office situated at 704, Luhadia Tower, Ashok Marg, C-Scheme, Jaipur, valid up to December 31, 2012.

IV. 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 108 of our trademarks and have made applications for registering another 110 trademarks. Further, we have also made applications for registering seven trademarks in 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, and our Company will file applications to amend the registrations of such trademarks and copyrights.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of the Board of Directors passed at their meeting held on July 27, 2011, subject to the approval of shareholders of our Company through a special resolution to be passed pursuant to section 81 (1A) of the Companies Act.

The shareholders of our Company have authorised the Issue by a special resolution passed pursuant to section 81(1A) of the Companies Act, passed at the EGM of our Company held on August 2, 2011.

SAIF, Sequoia, Tiger Global Four JD Holdings and Tiger Global Five Indian Holdings have authorised the Offer for Sale of the Equity Shares held by them through their board resolutions dated August 12, 2011, August 12, 2011, August 11, 2011 and August 11, 2011, respectively and V.S.S. Mani, Anita Mani, Ramani Iyer and V. Krishnan have authorised the Offer for Sale through their letters dated August 6, 2011.

The Selling Shareholders have confirmed that they have held the Equity Shares proposed to be offered and sold in the Issue for more than one year prior to the date of filing of this 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.

Our Company will apply to the RBI to approve the transfer of the Equity Shares by the Selling Shareholders in the Offer for Sale.

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 Issue

Our Company is eligible for the Issue in accordance with the Regulation 26(2) of the SEBI Regulations, which states as follows:

- (2) *“An issuer not satisfying any of the conditions stipulated in sub-regulation (1) may make an initial public offer if:*
 - (a) (i) *the issue is made through the book building process and the issuer undertakes to allot at least fifty per cent. of the net offer to public to qualified institutional buyers and to refund full subscription monies if it fails to make allotment to the qualified institutional buyers;*

OR

- (ii) *at least fifteen per cent. of the cost of the project is contributed by scheduled commercial banks or public financial institutions, of which not less than ten per cent. shall come from the appraisers and the issuer undertakes to allot at least ten per cent. of the net offer to public to qualified institutional buyers and to refund full subscription monies if it fails to make the allotment to the qualified institutional buyers;*

AND

- (b) (i) *the minimum post-issue face value capital of the issuer is ten crore rupees;*

OR

- (ii) *the issuer undertakes to provide market-making for at least two years from the date of listing of the specified securities, subject to the following:*

- (A) *the market makers offer buy and sell quotes for a minimum depth of three hundred specified securities and ensure that the bid-ask spread for their quotes does not, at any time, exceed ten per cent.;*
- (B) *the inventory of the market makers, as on the date of allotment of the specified securities, shall be at least five per cent. of the proposed issue."*

We are an unlisted company not complying with the conditions specified in the Regulations 26(1) SEBI Regulations and are therefore required to meet both the conditions detailed in Clause (a) and Clause (b) of Regulation 26(2) of the SEBI Regulations.

- We are complying with Regulation 26(2)(a)(i) of the SEBI Regulations and at least 50% of the Issue is proposed to be Allotted to QIBs and in the event we fail to do so, the full subscription 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 15% and 35% of the Issue respectively.
- We are also complying with Regulation 26(2)(b)(i) of the SEBI Regulations and the post-issue face value capital of our Company shall be ₹ [●] million, which is more than the minimum requirement of ₹ 100 million.

Hence, we are eligible for the Issue 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.

Our Company has issued 195,565 Preference Shares Series A, one Preference Share Series B and 968,060 Preference Shares Series C, which are outstanding as on the date of this Draft Red Herring Prospectus, which will convert into an aggregate of 1,163,626 Equity Shares. In accordance with Regulation 26(5) of the SEBI Regulations, these Preference Shares will be converted into Equity Shares prior to the filing of the Red Herring Prospectus with the RoC. Upon conversion of the Preference Shares Series A into Equity Shares, SAIF and Tiger Global Four JD Holdings will be allotted 8,777,890 Equity Shares and 1,978,185 Equity Shares, respectively, as bonus shares, on account of the bonus issue in the ratio of 55:1, undertaken by our Company on April 24, 2010 and in accordance with the terms of the Shareholders' Agreement.

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 ISSUE 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 ISSUE.

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 12, 2011 WHICH READS AS FOLLOWS:

WE, THE LEAD MERCHANT BANKER(S) TO THE ABOVE MENTIONED FORTHCOMING ISSUE, 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 ISSUE;**
- 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 ISSUE, 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 ISSUE;**
 - (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE 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 ISSUE 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.
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 ISSUE. 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 ISSUE. NOT APPLICABLE
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE ‘MAIN OBJECTS’ LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY 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 ISSUE 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 ISSUE 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 ISSUE SIZE IS MORE THAN ₹ 100 MILLION, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY

SHARES ARE TO BE ISSUED 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 ISSUE. - 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.**

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 Issue. 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 Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of section 60B of the Companies Act. All legal requirements pertaining to the Issue 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 Draft 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, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Issue 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 member of the Syndicate is liable for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Investors who Bid in the Issue 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.

Disclaimer in respect of Jurisdiction

This Issue 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 and other eligible foreign investors (viz. FVCIs, multilateral and bilateral development financial institutions). This Draft 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 Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue 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 this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft 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 Draft 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 Issue 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 Issue, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) 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 Draft 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 the Draft 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 Draft 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 Issue within the United States, by its acceptance of this Draft 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 Draft 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 Issue in compliance with all applicable laws and regulations;

(2) the purchaser acknowledges that the Equity Shares issued pursuant to this Issue 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 depository receipt facility established or maintained by a depository bank other than a Rule 144A restricted depository 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 Issue

Each purchaser that is a non-U.S. Person and acquiring the Equity Shares issued pursuant to this Issue outside the United States, by its acceptance of this Draft Red Herring Prospectus and of the Equity Shares issued pursuant to this Issue, will be deemed to have acknowledged, represented to and agreed with the Company and the BRLMs that it has received a copy of this Draft 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 Issue in compliance with all applicable laws and regulations;
- (2) the purchaser acknowledges that the Equity Shares issued pursuant to this Issue 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 Issue 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 Issue, 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 Draft 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

As required, a copy of the Draft Red Herring Prospectus has been submitted to the BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer Clause of the NSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to the NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Filing

A copy of the Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Plot No.C4-A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.

A copy of the 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 RoC at the Office of the Registrar of Companies, Everest 5th 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. [●] 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 the 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/ Issue 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/Issue 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 Issue, the Bankers to our Company, and (b) the BRLMs, the Syndicate Members, the Escrow Collection Bankers, the Registrar to the Issue and the IPO Grading Agency to act in their respective capacities, will be obtained and will be filed along with a copy of the 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 the Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act and SEBI Regulations, S. R. Batliboi & Associates, Chartered Accountants, our Company's statutory auditors, have given their written consent to the inclusion of their audit report dated August 9, 2011 and statement of the tax benefits dated August 9, 2011 in the form and context in which it appears in this Draft Red Herring Prospectus and such consent shall not be withdrawn up to the time of submission of the Red Herring Prospectus for registration with the RoC.

Expert to the Issue

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

[●], the IPO grading agency engaged by us for the purpose of obtaining IPO grading in respect of this Issue, have given their written consent as experts to the inclusion of their report in the form and context in which they will appear in the Red Herring Prospectus and such consents and reports will not be withdrawn up to the time of delivery of the Red Herring Prospectus and Prospectus for registration with the RoC.

Issue Related Expenses

The expenses of this Issue 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 Issue related expenses, please see “Objects of the Issue” on page 86.

Other than the listing fees which will be borne by our Company, all expenses relating to the Issue as mentioned above will be shared between our Company and the Selling Shareholders on a pro-rata basis, in the ratio of the Equity Shares issued by our Company in the Fresh Issue and the Equity Shares being sold by each of the Selling Shareholders in the Offer for Sale.

Fees Payable to the Syndicate

The total fees payable to the Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expense) will be as per the Engagement Letters, a copy of which is available for inspection at the Registered Office.

Fees Payable to the Registrar to the Issue

The fees payable by our Company and the Selling Shareholders to the Registrar to the Issue 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 12, 2011 signed among our Company, the Registrar to the Issue and the Selling Shareholders, a copy of which is available for inspection at the Registered Office.

The Registrar to the Issue 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 Issue to enable it to send refund in any of the modes described in the 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 Draft Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

Except as disclosed in the section “Capital Structure” on page 65 of this Draft Red Herring Prospectus, 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 Draft Red Herring Prospectus.

Outstanding Preference Shares

Except as stated in the section “Capital Structure” on page 65, our Company does not have any outstanding preference shares as on date of this Draft Red Herring Prospectus.

Stock Market Data of Equity Shares

This being an initial public issue 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 Issue, our Company and the Selling Shareholders provides for the retention of records with the Registrar to the Issue 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 Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, 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, 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 ASBA 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 Issue or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be 10 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 Issue and he may be contacted in case of any pre-Issue or post-Issue related problems at the following address:

Sachin Jain

Compliance Officer and Company Secretary

Just Dial Limited

Palm Court, Building-M, 501/B

5th 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 Auditors

Except as stated below, there have been no changes in the Auditors of our Company during the last three years:

Statutory Auditors	Date of Change	Appointment/Resignation	Reason
Dinesh Nair & Associates	March 22, 2010	Resignation	Pre-occupation with other assignments
S. R. Batliboi & Associates	March 22, 2010	Appointment	Appointed in place of Dinesh Nair & Associates

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 65.

Revaluation of Assets

Our Company has not re-valued its assets in the last five years.

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued and transferred pursuant to the Issue shall be subject to the provisions of the Companies Act, the Memorandum and Articles of Association, the terms of the Red Herring Prospectus and the Prospectus, Bid cum Application Form, ASBA 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 Issue. 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 Issue and to the extent applicable, or such other conditions as may be prescribed by SEBI, the RBI and/or any other authorities while granting its approval for the Issue.

Ranking of Equity Shares

The Equity Shares being issued and transferred in the Issue shall be subject to the provisions of the Companies Act and the Memorandum 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 in receipt of Allotment of Equity Shares under this Issue 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” beginning on page 349.

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.

Face Value and Issue Price

The face value of the Equity Shares is ₹ 10 each and the Issue Price is ₹ [●] per Equity Share. The Anchor Investor Issue Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company and the Selling Shareholders in consultation with the BRLMs and advertised in [●] edition of English national daily [●], [●] edition of Hindi national daily [●], and [●] edition of regional language newspaper [●] each with wide circulation, at least two Working Days prior to the Bid/ Issue Opening Date.

At any given point of time there shall be only one denomination for the Equity Shares.

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 our Company's Memorandum 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/splitting, see the section "Main Provisions of Articles of Association" beginning on page 349.

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 Issue 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 Issue 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 Draft Red Herring prospectus as "QPs") and "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Draft 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 the Draft 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 "Other Regulatory And Statutory Disclosures—Important Information for Investors— Eligibility and Transfer Restrictions."

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 Issue 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

If our Company does not receive 90% subscription of the Fresh Issue, including devolvment of underwriters within 60 days from the Bid/Issue Closing Date, our Company and the Selling Shareholders shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company and the Selling Shareholders become liable to pay the amount, our Company and the Selling Shareholders shall pay interest as prescribed under section 73 of the Companies Act.

The requirement for 90% minimum subscription is not applicable to the Offer for Sale under the SEBI Regulations. In case of under-subscription in the Issue, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale. Further, if at least 50% of the Issue are 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 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.

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-Issue Equity Shares, Promoter's minimum contribution and Anchor Investor lock-in in the Issue as detailed in the section "Capital Structure" beginning on page 65, 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 shares and on their consolidation/ splitting except as provided in the Articles of Association. For details, please see the section "Main Provisions of the Articles of Association" beginning on page 349.

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 Draft Red Herring prospectus as "QPs") and "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Draft 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 the Draft 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 "Other Regulatory And Statutory Disclosures—Important Information for Investors— Eligibility and Transfer Restrictions."

ISSUE STRUCTURE

Issue of [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including share premium of ₹ [●] per Equity Share) aggregating to ₹ [●] million. The Issue consists of a Fresh Issue of [●] Equity Shares aggregating to an amount not exceeding ₹ 3,600 million and an Offer for Sale of up to 10,637,994 Equity Shares by the Selling Shareholders aggregating up to ₹ [●] million. The Issue will constitute [●] of the fully diluted post-Issue paid-up equity share capital of our Company.

The Issue is being made through the Book Building Process.

	QIBs[#]	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares*	At least [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Percentage of Issue Size available for Allotment/allocation	At least 50% of the Issue Size being Allotted to QIBs. However, up to 5% of the QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only.	Not less than 15% of the Issue or the Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 35% of the Issue or Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate as follows: (a) [●] Equity Shares shall be allocated on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate
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 Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the Issue, subject to applicable limits.	Such number of Equity Shares, whereby the Bid Amount does not exceed ₹ 200,000.
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.

	QIBs[#]	Non-Institutional Bidders	Retail Individual Bidders
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 **	Public financial institutions as specified in section 4A of the Companies Act, scheduled commercial banks, mutual fund registered with SEBI, FIIs and sub-account registered with SEBI (other than a sub-account which is a foreign corporate or foreign individual), VCFs, FVCIs, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDA, provident fund (subject to applicable law) with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million, in accordance with applicable law 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.	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)
Terms of Payment	Full Bid Amount shall be payable at the time of submission of Bid cum Application Form. (including for Anchor Investors ^{*)} ^{###}	Full Bid Amount shall be payable 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. ^{###}

[#] Our Company may 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 "Issue Procedure" beginning on page 313.

^{###} 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 ASBA Bid cum Application Form.

^{*} Subject to valid Bids being received at or above the Issue Price. This Issue is being made in accordance with Rule 19(2)(b)(i) of the SCRR, as amended and under the SEBI Regulations, where the Issue will be made through the Book Building Process wherein at least 50% of the Issue will be Allotted on a proportionate basis to QIBs, provided that our Company 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 (other than Anchor Investors) and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than [●] 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 less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

** 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.

*# Bid Amount shall be payable by the Anchor Investors at the time of submission of the Bid cum Application Forms. The balance, if any, shall be paid within the two Working Days of the Bid/Issue Closing Date.

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 Issue

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right not to proceed with the Issue at anytime after the Bid/Issue Opening Date but before the Allotment of Equity Shares. In such an event our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue. The BRLMs, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one day of receipt of such notification. Our Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed.

If our Company and the Selling Shareholders withdraw the Issue after the Bid/Issue Closing Date and thereafter determine that they will proceed with an issue of our Company's Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, the Issue 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/ Issue Programme

BID/ISSUE OPENS ON	[●]*
BID/ISSUE CLOSES ON	[●]**

* Our Company and the Selling Shareholders may consider participation by Anchor Investors. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date in accordance with the SEBI Regulations.

** Our Company and the Selling Shareholders may consider closing the Bid/Issue Period for QIB Bidders one day prior to the Bid/Issue Closing Date in accordance with the SEBI Regulations.

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/ Issue Period as mentioned above at the bidding centres and designated branches of SCSBs as mentioned on the Bid cum Application Form and ASBA Bid cum Application Form, respectively. On the Bid/ Issue 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/ Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/ Issue Closing Date and, in any case, no later than 1.00 p.m. (IST) on the Bid/ Issue Closing Date. All times mentioned in this Draft Red Herring Prospectus are Indian Standard Times. Bidders are cautioned that in the event a large number of Bids are received on the Bid/ Issue Closing Date, as is typically experienced in public offerings, 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 Issue. Bids will be accepted only on Business Days, i.e., Monday to Friday (excluding any public holiday). Neither our Company, the Selling Shareholders, nor any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

On the Bid/ Issue Closing Date, extension of time will 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/ Issue 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 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/Issue Period will be extended for at least three additional Working Days after revision of Price Band subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue 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 and at the terminals of the Syndicate Members.

ISSUE PROCEDURE

This section applies to all Bidders. Please note that QIBs (other than Anchor Investors) and Non-Institutional Bidders can participate in the Issue only through the ASBA process. Retail Individual Bidders can participate in the Issue 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 Bidders other than the 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 SCSB.

Our Company, the Selling Shareholders, BRLMs and the Syndicate 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 Draft 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 Draft Red Herring Prospectus.

Book Building Procedure

In terms of Rule 19(2)(b)(i) of the SCRR, this Issue is for at least 25% of the fully diluted post-Issue equity share capital of our Company. The Issue is being made through the Book Building Process wherein at least 50% of the Issue shall be Allotted 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. 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 Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Our Company and the Selling Shareholders, in consultation with the BRLMs, may consider the participation of Anchor Investors in accordance with the SEBI Regulations.

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 50% of the Issue shall be Allotted to QIBs, and in the event that at least 50% of the Issue cannot be Allotted to QIBs, the entire application money shall be refunded therewith.

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 DPID, PAN and Beneficiary Account Number, 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 or the ASBA Bid cum Application Form is exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held. If the Bid cum Application Form or the ASBA Bid cum Application Form was submitted in joint names, Bidders are required to ensure that the beneficiary account was held in the same joint names in the same sequence in which they appeared in the Bid cum Application Form or ASBA Bid cum Application Form.

Bid cum Application Form

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis (ASBA as well as non ASBA Bidders*)	White
Eligible NRIs, FIIs or Foreign Venture Capital Investors, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis (ASBA as well as non ASBA Bidders)	Blue
Anchor Investors**	[●]

* Bid cum Application forms for ASBA Bidders will also be available on the website of the NSE (www.nseindia.com) and BSE (www.bseindia.com)

** Bid cum Application forms for Anchor Investors shall be made available at the offices of the BRLMs.

All Bidders other than the ASBA Bidders are required to submit their Bids through the Syndicate only. ASBA Bidders are required to submit their Bids only through the SCSBs, authorising blocking of funds that are available in the bank account specified in the ASBA Bid cum Application Form, except for the ASBA Bids submitted in the Specified Cities. In the case of Specified Cities, the ASBA Bids may either be submitted with the Designated Branches or with the Syndicate. Bidders other than ASBA Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of the Red Herring Prospectus. 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 Syndicate 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.

ASBA Bidders bidding through a Syndicate Member should ensure that the ASBA Bid cum Application Form is submitted to a Syndicate Member only in the Specified Cities. ASBA Bidders should also ensure that ASBA Forms submitted to the Syndicate Members in the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit ASBA Forms (A list of such branches is available at <http://www.sebi.gov.in/pmd/scsb-asba.html>). ASBA Bidders bidding directly through the SCSBs should ensure that the ASBA 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 Syndicate or the SCSB, the Bidder or the ASBA Bidder is deemed to have authorised our Company and the Selling Shareholders to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder or the ASBA 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 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 are not eligible to participate in this issue;
- 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;
- Foreign Venture Capital Investors registered with SEBI;
- 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 Issue, 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 Issue.

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 Draft Red Herring prospectus as “QPs”) and “qualified institutional buyers” (as defined in Rule 144A under the Securities Act and referred to in this Draft 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 the Draft 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.”

Participation by associates and affiliates of the BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and Syndicate Members may subscribe to or purchase Equity Shares in the Issue, 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 Issue 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 Funds portion is greater than [●] 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 ASBA 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/ ASBA 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-Issue paid-up share capital. In respect of an FII investing in our 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. Our Company has pursuant to a resolution dated August 2, 2011 passed by our Shareholders, increased the limit for FII holding in our Company to 49% of the total paid up share capital. This resolution is, however, subject to receipt of approval from the RBI in this regard, in terms of the Master Circular on Foreign Investment dated July 1, 2011 issued by the RBI.

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 and the Syndicate Members that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue. Any such offshore derivative instrument does not constitute any obligation or claim or claim on or an interest in, our Company.

Bids by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors

The SEBI (Venture Capital Funds) Regulations, 1996 as amended and SEBI (Foreign Venture Capital Investors) Regulations, 2000, as amended *inter alia* prescribe the investment restrictions on VCFs and FVCIs registered with SEBI.

Accordingly, the holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the venture capital fund. Further, venture capital funds and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering of a venture capital undertaking whose shares are proposed to be listed.

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 or the ASBA Bid cum Application Form. Failing this, our Company and the Selling Shareholder 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 or the ASBA Bid cum Application Form. Failing this, our Company and the Selling Shareholder 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 Draft 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 Draft 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. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed ₹ 200,000. 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 and will not be eligible for the Retail Discount. 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 Issue Price as determined at the end of the Book Building Process.

- (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 Issue size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay the Bid Amount upon submission of the Bid. QIBs (other than Anchor Investors) and Non Institutional Bidders are mandatorily required to submit their Bid through the ASBA process.**

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than ₹ 200,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to ₹ 200,000 or less due to a revision in Bids or 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 after the Anchor Investor Bid/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.**

Information for the Bidders:

- (a) Our Company and the BRLMs shall declare the Bid/Issue Opening Date and Bid/Issue Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in two daily national newspapers (one each in English and Hindi) and in one Marathi daily newspaper, each with wide circulation. This advertisement shall be in the prescribed format.
- (b) Our Company will file the Red Herring Prospectus with the RoC at least three days before the Bid/Issue Opening Date.
- (c) Copies of the Bid cum Application Form and copies of the Red Herring Prospectus will be available with the Syndicate. For ASBA Bidders, physical Bid cum Application Forms will be available with the Designated Branches of the SCSBs, Syndicate (in the Specified Cities) and at the Registered Office of our Company. Electronic ASBA Bid cum Application Forms will be available on the websites of NSE and BSE and the Designated Branches.
- (d) Any eligible Bidder, including eligible NRIs, who would like to obtain the 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 subscribing for the Equity Shares should approach any of the BRLMs or Syndicate Members or their authorised agent(s) to register their Bids. Bidders who wish to use the ASBA process should approach the Designated Branches of the SCSBs or the Syndicate (only in the Specified Cities) to register their Bids.
- (f) QIBs (other than Anchor Investors) and Non Institutional Bidders can participate in the Issue only through the ASBA process. Retail Individual Bidders have the option to Bid through the ASBA Bid cum Application Form or the Bid cum Application Form. 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 ASBA Bid cum Application Form in electronic form; or (ii) submit Bids through the Syndicate in the Specified Cities.

- (g) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms and the ASBA Bid cum Application Forms submitted to the Syndicate Members should bear the stamp of the Syndicate Member, otherwise they are liable to be rejected. ASBA Bid cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch and/or the Syndicate Member in the Specified Cities, if not, the same are liable to be rejected.
- (h) The ASBA Bid cum Application Form can be submitted (i) in physical mode, to a Syndicate Member in the Specified Cities; or (ii) either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained. ASBA Bid cum Application Form in electronic mode can be submitted only to the SCSBs with whom the ASBA Account is maintained and not to the Syndicate Members. 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 Syndicate Member should ensure that the ASBA Bid cum Application Form is submitted to a Syndicate Member only in the Specified Cities. ASBA Bidders should also ensure that ASBA Bid cum Application Forms submitted to the Syndicate Members in the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit ASBA Forms (A list of such branches is available at <http://www.sebi.gov.in/pmd/scsb-asba.html>). ASBA Bidders bidding directly through the SCSBs should ensure that the ASBA 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 Syndicate Members in the Specified Cities, the Syndicate Member shall upload the ASBA Bid onto the electronic bidding system of the Stock Exchanges and deposit the ASBA Bid cum Application Form with the relevant branch of the SCSB, at the relevant Specified City, named by such SCSB to accept such ASBA Bid cum Application Forms from the Syndicate Members (A list of such branches is available at <http://www.sebi.gov.in/pmd/scsb-asba.html>). The relevant branch of the SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the ASBA 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 ASBA 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, each of the Bidders, 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 or ASBA 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 Issue will be made in the accounts of such Bidders.

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 Syndicate 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 and members of the Syndicate shall not be liable for losses, if any.

Pre-Issue Advertisement

Subject to section 66 of the Companies Act, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one English

language national daily newspaper, one Hindi language national daily newspaper and one Marathi language daily newspaper, 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 and the minimum Bid lot size for the Issue and the same shall be advertised in [●] edition of English national daily [●], [●] edition of Hindi national daily [●], and [●] edition of regional language newspaper [●], each with wide circulation at least two Working Days prior to the Bid/ Issue Opening Date. The Syndicate and the SCSBs shall accept Bids from the Bidders during the Bid/Issue Period.
- (b) The Bid/Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be published in two national newspapers (one each in English and Hindi) and one Marathi newspaper, each with wide circulation and also by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate.
- (c) During the Bid/Issue Period, Bidders, other than QIBs, who are interested in subscribing for the Equity Shares should approach the Syndicate or their authorised agents to register their Bids. The Syndicate shall accept Bids from all Bidders and have the right to vet the Bids during the Bid/ Issue Period in accordance with the terms of the Red Herring Prospectus. Bidders (other than Anchor Investors) who wish to use the ASBA process should approach the Designated Branches or the Syndicate (for the Bids to be submitted in the Specified Cities) 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 Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue 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 on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate or SCSB will be treated as multiple Bids 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 Issue. 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”.
- (f) Except in relation to the Bids received from the Anchor Investors, the Syndicate/the SCSBs 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/ Issue Period i.e. one working day prior to the Bid/ Issue 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 Bidders (other than ASBA Bidders) will make payment in the manner described in “Escrow Mechanism - Terms of payment and payment into the Escrow Accounts” in the section “Issue Procedure” beginning on page 313.
- (i) Upon receipt of the ASBA 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 ASBA 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 ASBA 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 Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue 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 Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

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/ Issue 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 the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed at least two days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.
- (b) Our Company, in consultation with the Selling Shareholders and the BRLMs will finalise the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- (c) Our Company, in consultation with the Selling Shareholders and the BRLMs, can finalise the Anchor Investor Issue 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. 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 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 with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

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 Syndicate and the SCSBs will register the Bids using the on-line facilities of the Stock Exchanges.
- (b) The Syndicate and the SCSBs will undertake modification of selected fields in the Bid details already uploaded within one Working Day from the Bid/Issue 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 Issue shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the Syndicate Members or the SCSBs, (ii) the Bids uploaded by the Syndicate Members or the SCSBs or (iii) the Bids accepted but not uploaded by the Syndicate Members or the SCSBs.
- (e) The SCSBs shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the SCSBs, (ii) the Bids uploaded by the SCSBs, (iii) the Bids accepted but not uploaded by the SCSBs 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 the SCSBs, the full Bid Amount has been blocked in the relevant ASBA Account.
- (f) The Stock Exchanges will offer an electronic facility for registering Bids for the Issue. This facility will be available with the Syndicate and their authorised agents and the SCSBs during the Bid/ Issue Period. The Syndicate Members 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/ Issue Closing Date, the Syndicate 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/Issue Period.
- (h) At the time of registering each Bid other than ASBA Bids, the Syndicate 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. Numbers 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. Application 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. Bid Amount; and

8. Bank account number;

With respect to ASBA Bids submitted to the members of Syndicate at the Specified Cities, at the time of registering each Bid, the members of Syndicate shall enter the following details on the on-line system:

1. ASBA 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.
- (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 Syndicate or the Designated Branches of the SCSBs. The registration of the Bid by the member of the Syndicate or the Designated Branches of the SCSBs does not guarantee that the Equity Shares shall be allocated / Allotted either by the Syndicate, 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) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the Specified Cities) have the right to accept the Bid or reject it. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection 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 will be rejected on technical grounds listed herein. The members of the Syndicate may also reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect. The SCSBs shall have no right to reject Bids, except on technical grounds.
- (l) The permission given by the Stock Exchanges to use their network and software of the online IPO 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 Draft Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
- (m) Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/ Allotment. Members of the Syndicate and the SCSBs will be given up to one day after the Bid/Issue Closing Date to verify DP ID and Client ID uploaded in the online IPO system during the Bid/Issue Period after which the Registrar to the Issue 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, Beneficiary Account No. and PAN, then such bids are liable to be rejected.
- (n) The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details.
- (o) 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 Syndicate 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/Issue Period.
- (c) During the Bid/Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.
- (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 Syndicate and the Designated Branches of the SCSBs will not accept incomplete or inaccurate Revision Forms.
- (e) The Bidder can make this revision any number of times during the Bid/Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate 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.
- (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 Syndicate 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 the Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue 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 Bidder and the 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 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 ₹ 5,000 to ₹ 7,000.
- (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 Bids, other than ASBA Bids, the Syndicate 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 one or more revisions by the QIB Bidders. In such cases, the Syndicate 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 Syndicate 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 in consultation with the Selling Shareholders and the BRLMs, shall finalise the Issue Price and the Anchor Investor Issue 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 50% of the Issue shall be allotted to QIBs and in the event that at least 50% of the Issue cannot be Allotted to QIBs, the entire application money shall be refunded forthwith.
- (c) Allocation to Non-Residents, including Eligible NRIs 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 in consultation with the BRLMs, subject to compliance with the SEBI Regulations.
- (e) QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date. Further, the Anchor Investors shall not be allowed to withdraw their Bids after the Anchor Investor Bid/Issue Period.
- (f) The Basis of Allotment shall be put up on the website of the Registrar to the Issue.

Signing of the Underwriting Agreement and the RoC Filing

- (a) Our Company, the Selling Shareholders, the BRLMs and the Syndicate Members intend to enter into an Underwriting Agreement after the finalisation of the Issue 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 Issue Price, the Anchor Investor Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

Advertisement regarding Issue 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 Issue Price and the Anchor Investor Issue Price. Any material updates between the date of the 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 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/Issue Period and in the event that the Issue Price is higher than the Anchor Investor Issue 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 Issue Price and the Anchor Investor Issue 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 Issue Price and the Anchor Investor Issue Price and accordingly the Allotment Advice will be issued to such Anchor Investors. In the event the Issue Price is lower than the Anchor Investor Issue 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 Issue Price being finalised at a price not higher than the Anchor Investor Issue Price and Allotment by the Board of Directors.

Designated Date and Allotment of Equity Shares:

- (a) Our Company 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/Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, our Company 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 issued 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 allocated/ Allotted to them pursuant to this Issue.

Issuance of Allotment Advice

- (a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Syndicate a list of the Bidders who have been Allotted Equity Shares in the Issue.
- (b) The Registrar will dispatch Allotment Advice to the Bidders who have been Allotted Equity Shares in the Issue.
- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Bidder.
- (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 the DRHP 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 Depository Participant and the beneficiary account number 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 a member of the Syndicate or with respect to ASBA Bidders, ensure that your Bid is submitted to the Syndicate (only in the Specified Cities) 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 ASBA 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 ASBA Bid cum Application Form;
- (g) QIBs (other than Anchor Investors) and Non Institutional Bidders should submit their Bids through the ASBA process only;
- (h) Ensure that you request for and receive a TRS for all your Bid options;
- (i) Ensure that you have funds equal to the Bid Amount in your bank account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch of the SCSB;
- (j) Ensure that you have funds equal to the Bid Amount in your bank account before submitting the Bid cum Application Form to the Syndicate;
- (k) Ensure that the full Bid Amount is paid for the Bids submitted to the Syndicate and funds equivalent to the Bid Amount are blocked in case of any Bids submitted through the SCSBs.
- (l) Instruct your respective banks to not release the funds blocked in the bank account under the ASBA process;
- (m) Submit revised Bids to the same member of the Syndicate/SCSB through whom the original Bid was placed and obtain a revised TRS;
- (n) 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;
- (o) Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
- (p) 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.
- (q) Ensure that the name(s) given in the Bid cum Application Form or the ASBA 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 the Bid cum Application Form or the ASBA Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form or the ASBA Bid cum Application Form;
- (r) Ensure that the DP ID, the Beneficiary Account Number and the PAN mentioned in the Bid cum Application Form and entered into the electronic bidding system of the stock exchanges by the members of the Syndicate match with the DP ID, Beneficiary Account Number and PAN available in the Depository database;
- (s) In relation to the ASBA Bids, ensure that you use the ASBA Bid cum Application Form specified for the purposes of ASBA bearing the stamp of the relevant SCSB and/ or the Designated Branch and/ or the

Syndicate Member (except in case of electronic ASBA Forms);

- (t) In relation to the ASBA Bids, ensure that your ASBA Bid cum Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Syndicate Member in the Specified Cities, 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 Issue;
- (u) ASBA Bidders bidding through a Syndicate Member should ensure that the ASBA Bid cum Application Form is submitted to a Syndicate Member only in the Specified Cities and that the SCSB where the ASBA Account, as specified in the ASBA Bid cum Application Form, is maintained has named at-least one branch in the Specified Cities for the Syndicate Members to deposit ASBA Bid cum Application Forms (A list of such branches is available at <http://www.sebi.gov.in/pmd/scsb-asba.html>);
- (v) Ensure that the ASBA Bid cum Application Form is signed by the ASBA Account holder in case the ASBA Bidder is not the account holder;
- (w) Ensure that you have mentioned the correct ASBA Account number in the ASBA Bid cum Application Form;
- (x) In relation to the ASBA Bids, ensure that you have correctly signed the authorization/undertaking box in the ASBA 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 ASBA Bid cum Application Form; and
- (y) In relation to the ASBA Bids, ensure that you receive an acknowledgement from the Designated Branch or from the Syndicate Member in the Specified Cities, as the case may be, for the submission of your ASBA Bid cum Application Form.

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 Syndicate or the SCSBs, as applicable. If you are an ASBA Bidder, do not Bid on a non-ASBA Bid cum Application Form after you have submitted a Bid to a Designated Branch;
- (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 a member of the Syndicate or the SCSBs only;
- (f) Do not submit the Bid cum Application Forms to Escrow Collection Bank(s);
- (g) Do not Bid at Cut-off Price (for QIB Bidders and Non-Institutional Bidders, for Bid Amount in excess of ₹ 200,000);
- (h) Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders);
- (i) Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue 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;
- (j) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground;

- (k) Do not submit the Bids without the full Bid Amount;
- (l) Do not submit incorrect details of the DP ID, Beneficiary Account Number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- (m) Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms/ ASBA Bid cum Application Forms, or on Bid cum application Forms in a color prescribed for another category of Bidder;
- (n) Do not Bid if you are not competent to contract under the Indian Contract Act, 1872;
- (o) Do not submit more than five ASBA Bid cum Application Forms per ASBA Account;
- (p) Do not submit the ASBA Bid cum Application Form with a Syndicate Member at a location other than the Specified Cities; and
- (q) Do not submit ASBA Bids to a Syndicate Member in the Specified Cities unless the SCSB where the ASBA Account is maintained, as specified in the ASBA Bid cum Application Form, has named at-least one branch in the relevant Specified City, for the Syndicate Members to deposit ASBA Bid cum Application Forms (A list of such branches is available at <http://www.sebi.gov.in/pmd/scsb-asba.html>).

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 Syndicate and / or the SCSBs, 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 online IPO system by the Syndicate and 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 Issue 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 (not more than three, and in the same order as their Depository Participant details).
- (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 beneficiary account number provided by them in the Bid cum Application Form or ASBA Bid cum Application Form, and as entered by Syndicate or SCSB while registering the Bid, the Registrar will obtain from the Depository the demographic details including 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 or ASBA Bid cum Application Form, as the case may be.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, BENEFICIARY ACCOUNT NUMBER AND PERMANENT ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM OR ASBA BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, BENEFICIARY ACCOUNT NUMBER AND PERMANENT ACCOUNT NUMBER GIVEN IN THE BID CUM APPLICATION FORM OR ASBA BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, BENEFICIARY ACCOUNT NUMBER AND PAN AVAILABLE IN THE DEPOSITORY DATABASE. IN CASE THE BID CUM APPLICATION FORM OR ASBA BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY 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 OR ASBA BID CUM APPLICATION FORM.

Bidders may note that in case the DP ID, Beneficiary Account Number and PAN mentioned in the Bid cum Application Form or the ASBA Bid cum Application Form, as the case may be and entered into the electronic bidding system of the stock exchanges by the Syndicate Member do not match with the DP ID, Beneficiary Account Number and PAN available in the Depository database, the application Bid cum Application Form or the ASBA Bid cum Application Form, as the case may be is liable to be rejected.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/CANs/Allocation Advice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar.

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 Draft 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 Bidder (other than ASBA Bidders) 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, 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 ([●] 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 (not more than three and in the same order as their Depository Participant Details).
3. Bids on a repatriation basis shall be in the names of individuals, or in the name of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) 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 and 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, 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 reason 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 or the ASBA Bid cum Application Form.

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.

PAYMENT INSTRUCTIONS

Escrow Mechanism for Bidders other than ASBA Bidders

Our Company, the Selling Shareholders and the Syndicate 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.

The Escrow Collection Banks will act in terms of the 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 Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue 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 the Draft 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 Syndicate, 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 ASBA Bid cum Application Form and the SCSB shall block an amount equivalent to the Bid Amount in the bank account specified in the ASBA Bid cum Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal/rejection of the ASBA Bid or receipt of instructions from the Registrar to unblock the Bid Amount. In the event of withdrawal or rejection of the ASBA Bid cum Application Form or for unsuccessful ASBA 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 Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Bids by ASBA Bidder, as the case may be.

In case of Bids by FIIs, a special Rupee Account should be mentioned in the ASBA Bid cum Application Form, for blocking of funds, along with documentary evidence in support of the remittance.

Payment into Escrow Account for Bidders other than 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 Syndicate. 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: “[●]”

- (b) In case of Non-Resident Retail Individual Bidders: “[●]”
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 Issue 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 Issue Price as per the pay-in date mentioned in the revised CAN. If the Issue Price is lower than the price at which allocation is made to Anchor Investors, the amount in excess of the Issue 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: “[●]”
 - (b) In case of non-resident Anchor Investors: “[●]”
 6. In case of Bids by 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 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 Bidders (other than 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 Issue Account with the Bankers to the Issue.

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.
 10. Payments made through cheques without the Magnetic Ink Character Recognition (“**MICR**”) code will be rejected.
 11. 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 the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first 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 a bid using an ASBA Bid cum Application Form 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, whether on another ASBA Bid cum Application Form, to either the same or another Designated Branch of the SCSB, or on a non-ASBA Bid cum Application Form. 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 Issue. 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.

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 ASBA Bid cum Application Forms with respect to any single ASBA Account.

Duplicate copies of ASBA 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, in consultation with the Selling Shareholder and BRLM, reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. In this regard, the procedures which would be followed by the Registrar to detect multiple Bids are 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 Bid cum Application Forms or the ASBA Bid cum Application Forms as the case maybe, will be checked for common DP ID and beneficiary account numbers. In any such Bids which have the same DP ID and beneficiary account numbers, these will be treated as multiple Bids and will be rejected.
3. The Registrar will obtain, from the depositories, details of the applicant's address based on the DP ID and Beneficiary Account Number provided in the Bid data and create an address master.
4. All instances where more than 20 the Bid cum Application Forms or the ASBA Bid cum Application Forms as the case maybe, have the same address shall be reported to the Stock Exchanges and SEBI and such Equity Shares shall be kept in abeyance subsequent to finalization of the Basis of Allotment and shall be credited to such Bidder's demat account upon receipt of appropriate confirmation from SEBI and the

Stock Exchanges.

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 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, except for residents in the state of Sikkim, may be 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 Issue will be made in the accounts of such Bidders.

Withdrawal of ASBA Bids

ASBA Bidders (other than QIBs) can withdraw their Bids during the Issue Period by submitting a request for the same to the SCSBs who shall do the requisite, including deletion of details of the withdrawn ASBA Bid cum Application Form from the electronic bidding system of the Stock Exchanges and unblocking of the funds in the ASBA Account.

In case an ASBA Bidder (other than a QIB) wishes to withdraw the Bid after the Bid/Issue Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of Allotment. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file and give instruction to the SCSB for unblocking the ASBA Account after approval of the 'Basis of Allotment'.

REJECTION OF BIDS

Our Company has a right to reject Bids based on technical grounds. In case of QIB Bidders, our Company, in consultation with the Selling Shareholders and BRLMs, 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. With respect to Bids by ASBA Bidders, the Designated Branches of the SCSBs shall have the right to reject Bids by ASBA Bidders if at the time of blocking the Bid Amount in the Bidder's bank account, the respective Designated Branch of the SCSB ascertains that sufficient funds are not available in the Bidder's bank account maintained with the SCSB. Subsequent to the acceptance of the Bid by ASBA Bidder by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds.

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 or the ASBA 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 ASBA 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;
- 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 joint Bidders missing;
- Submission of more than five ASBA 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 Bidders applying through the non-ASBA process;
- Bids for number of Equity Shares which are not in multiples of [●];
- Category not indicated;
- Multiple Bids as defined in the 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;
- Bid cum Application Forms does not have the stamp of the BRLMs or Syndicate Members or the SCSB;
- Bid cum Application Forms does not have Bidder's depository account details;
- ASBA 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 or ASBA Bid cum Application Form submitted to the Syndicate Members does not bear the stamp of the Syndicate Members. ASBA Bid cum Application Forms submitted directly to the SCSBs does not bear the stamp of the SCSB and/or the Designated Branch and/or the Syndicate Members, as the case may be;
- ASBA Bid cum Application Forms not having details of the ASBA Account to be blocked;

- ASBA Bid cum Application Forms not containing the authorization for blocking the Bid Amount in the bank account specified in the ASBA 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/Issue Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the 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 ASBA 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 Bid cum Application Form submitted to a Syndicate Member at locations other than the Specified Cities and ASBA Bid cum Application Forms 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 Issue;
- 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 Draft 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/ Issue Closing Date, Bids by Non-Institutional Bidders submitted after 3 pm on the Bid/ Issue Closing Date, and Bids by Retail Individual Bidders submitted after 3 pm on the Bid/ Issue 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.

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 SYNDICATE/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 DEMATERIALISED FORM WITH NSDL OR CDSL

As per the provisions of section 68B of the Companies Act, the Allotment of Equity Shares in this Issue 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 [●] among NSDL, our Company and the Registrar;
- Agreement dated [●], 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) 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.
- (b) The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.
- (c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.
- (d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- (e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.
- (f) 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.
- (g) 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.
- (h) The trading of the Equity Shares of our Company would be in dematerialised form only for all Bidders in the demat segment of the respective Stock Exchanges.
- (i) Non transferable advice or refund orders will be directly sent to the Bidders by the Registrar to the Issue.

Communications

All future communications in connection with Bids made in this Issue 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 member of the Syndicate 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-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of Allotted 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

Bidders other than ASBA Bidders must note that on the basis of Bidder's DP ID and beneficiary account number 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/Issue Closing Date, the Escrow Collection Bank shall despatch refund orders for all amounts payable to unsuccessful Bidders (other than 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 Bidders other than ASBA Bidders

The payment of refund, if any, for Bidders other than ASBA Bidders would be done through various modes by any of the following:

1. 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.
2. 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 our Company.
3. 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 our Company. Any bank charges levied by the Bidders' bank receiving the credit will be borne by the respective Bidders.
4. 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.
5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched through ordinary post for refund orders less than or equal to ₹ 1,500 and through Speed Post/ Registered Post for refund orders exceeding ₹ 1,500. 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 ASBA Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/Issue Closing Date.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

With respect to Bidders other than 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/Issue 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/ Issue Closing Date. A suitable communication shall be sent to the Bidders receiving refunds through this mode within 15 days from the Bid/ Issue 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/Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, our Company further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialised form within 12 Working Days of the Bid/Issue Closing Date; and
- With respect to Bidders other than 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/Issue 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/Issue Closing Date.
- Our Company and the Selling Shareholders shall pay interest at 15% p.a. for any delay beyond 15 days from the Bid/ Issue 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 68 A 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 Issue 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 Issue Price.
- The Issue size less Allotment to Non-Institutional and QIB Bidders will be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.
- If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares. For the method of proportionate Basis of Allotment, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue 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 Issue Price.
- The Issue size less Allotment to QIBs and Retail Individual Bidders will be available for Allotment to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue 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 [●] Equity Shares at or above the Issue 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 Issue 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 Issue Price.
- The QIB Portion will be available for Allotment to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue 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 Issue Price.

- (iii) Equity Shares remaining unsubscribed, 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 that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue 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 (other than spill over in case of under-subscription in other categories) to QIB Bidders shall be at least 50% of the Issue and up to [●] Equity Shares.

D. For Anchor Investor Portion

- Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue 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 a minimum number of two Anchor Investors for allocation up to ₹ 2,500 Million and minimum number of five Anchor Investors for allocation more than ₹ 2,500 Million.
- The number of Equity Shares allocated to Anchor Investors and the Anchor Investor Issue Price, shall be made available in the public domain by the BRLMs before the Bid/ Issue Opening Date by intimating the same to the Stock Exchanges.

Method of Proportionate Basis of Allotment in the Issue

In the event of the Issue being over-subscribed, 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, in consultation with the BRLMs.

Letters of Allotment or Refund Orders or instructions to the SCSBs

The Registrar to the Issue shall give instructions for credit to the beneficiary account with depository participants within 12 Working Days from the Bid/Issue 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 shall ensure dispatch of refund orders, if any, of value up to ₹ 1,500, through ordinary post, and shall dispatch refund orders equal to or above ₹ 1,500, if any, by registered post or speed post at the sole or First Bidder's sole risk within 12 Working Days of the Bid/Issue 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/ Issue 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 ASBA Bid cum Application Form or the relevant part thereof, for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/Issue 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/ Issue 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/ Issue 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 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.

UNDERTAKINGS BY OUR COMPANY AND THE SELLING SHAREHOLDERS

Our Company undertakes the following:

- That if our Company does not proceed with the Issue after the Bid/ Issue Closing Date, the reason thereof shall be given as a public notice within two days of the Bid/ Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue 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 withdraw the Offer for Sale after the Bid/ Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issue;
- That the complaints received in respect of this Issue 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/Issue 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 Issuer;
- 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/ Issue 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 the 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 ASBA Bid cum Application Forms and to consider them similar to non-ASBA applications while finalising the Basis of Allotment.

The Selling Shareholders undertake that:

- That the Equity Shares being sold pursuant to the Issue, have been held by them for a period of more than one year;
- The Equity Shares being sold pursuant to the Offer for Sale in the Issue 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 Issue by the Selling Shareholders;

- That the complaints received in respect of this Issue shall be attended to by the Selling Shareholders expeditiously and satisfactorily. The Selling Shareholders have authorized the Compliance Officer and the Registrar to the Issue to redress complaints, if any, of the investors;
- 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 Issue 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 the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.
- That the Selling Shareholders have authorised the Compliance Officer of our Company and the Registrar to the Issue to redress any complaints received from Bidders in respect of the Offer for Sale;
- That if the Selling Shareholders do not proceed with the Offer for Sale after the Bid/ Issue Closing Date, the reason thereof shall be given as a public notice within two days of the Bid/ Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue 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 this 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 Issue;
- 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 for Sale;
- 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 for Sale.

Our Company shall transfer to the Selling Shareholders, the net proceeds from the Offer for Sale, on the same being permitted to be released in accordance with applicable laws.

Utilisation of Issue proceeds

The Board of Directors certify that:

- all monies received out of the Issue 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;
- details of all monies utilised out of Issue shall be disclosed, and continue to be disclosed till the time any part of the issue proceeds remains unutilised, under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised;
- details of all unutilised monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested;
- the utilisation of monies received under Promoter's contribution shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- the details of all unutilised monies out of the funds received under Promoter's contribution shall be disclosed under a separate head in the balance sheet of our Company indicating the form in which such

unutilised monies have been invested.

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 2011 (“Circular 1 of 2011”), which with effect from April 1, 2011, 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 March 31, 2011. The Government proposes to update the consolidated circular on FDI policy once every six months and therefore, Circular 1 of 2011 will be valid until the DIPP issues an updated circular (expected on September 30, 2011).

Subscription by foreign investors (NRIs/FIIs)

FIIs are permitted to subscribe to 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 transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

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 Draft Red Herring prospectus as “QPs”) and “qualified institutional buyers” (as defined in Rule 144A under the Securities Act and referred to in this Draft 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 the Draft 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.”

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 shall become inapplicable from the date of filing of the Prospectus with the RoC without any further action by our Company or the shareholders.

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 to 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), repromulgation (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 oversight 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 May 23, 2011 entered into between our Company, our Promoters, SAIF, Tiger Global, Sequoia, EGCS and SAPV as amended by letter dated July 26, 2011 from our Company and our Promoters to SAIF, Tiger Global, Sequoia, 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 from the date of filing of the Prospectus with the RoC 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 Issue of Equity Shares by our Company, 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 Tiger, SAIF, EGCS and SAPV;

"Parties" means, collectively, SAIF, Tiger, the Promoters, Sequoia, SAPV, EGCS and the Company, and "Party" means any one of such Persons individually;

"Shareholders" means SAIF, Tiger, Sequoia, 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 25 provides that "The Company shall have a Board consisting of, not more than 10, Directors comprising the following:

- i. One (01) member recommended and nominated by SAIF II;
- ii. One (01) member recommended and nominated by Sequoia;
- iii. One (01) member recommended and nominated by Tiger and;
- iv. other members recommended and nominated by the Promoters.
- v. 3 members as independent directors recommended and nominated by the Promoters.

Provided however that, the Company shall before filing of the draft red herring prospectus with the Securities and Exchange Board of India, reconstitute the Board in accordance with Applicable Law.

For so long as SAIF, Sequoia and Tiger each own 5% of the issued and outstanding Shares (on an as-converted basis), the Board shall at all times have one (01) member nominated by SAIF and one (01) member nominated by Sequoia and one (1) member nominated by Tiger. At any time during which SAIF, Tiger and SAPV shall hold any Preference Shares, such Investors shall each have the right to have one designated representatives (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 38(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 38(c) without the affirmative vote of a Director nominated by SAIF, Tiger, Sequoia and the Promoters.

- 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 3% 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% 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 Lacs only) in a single transaction;
- vi. Acquisition or sale of an asset in excess of an amount of INR 50,00,000/- (Rupees Fifty Lacs 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 CEO, COO and CFO 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 KPMG, PricewaterhouseCoopers, Deloitte & Touche or Ernst & Young and/or their affiliated or associated firms (the “Big Four Firms”));
- 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 financial transactions with any company other than a wholly-owned subsidiary;
- xvi. Inter-company financial transactions greater than ₹ 20,00,000/- (Rupees Twenty Lacs 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;
- xviii. Any amendment to the Memorandum of Association and Articles of Association of the Company 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 and all other terms and conditions of an initial public offering 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 40 provides that

- “a) The Board shall hold no less than (i) one meeting every three calendar months and (ii) 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 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 in writing of his intention to attend the meeting or seek leave. No meeting shall be conducted unless one Director nominated by each Shareholder has 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 request the Chairman to call a meeting of the Board. Upon such request, the Chairman shall call a meeting of the Board.
- b) 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.

- c) 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.
- d) 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 41 provides that “The presence in person of at least three (3) 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 38(c) above are to be discussed no quorum shall exist unless one (1) Director nominated by SAIF, one (1) Director nominated by Tiger, one (1) Director nominated by Sequoia and one (1) Director nominated by the Promoters is present at the meeting, provided that such right may be waived by SAIF, Sequoia, Tiger and the Promoters by notification in writing to the Company. In the absence of a quorum, the meeting of the Board or committee thereof shall be adjourned by the Directors present and shall be reconvened at a date 14 days thereafter at the time and place. At any such adjourned meeting, subject to Article 40(b) and this Article 41, the presence of at least three (3) Directors on the Board shall be required to constitute a quorum. Any of the Shareholders may waive their rights under this Article 41 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 43 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 43, 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 by the shareholders shall preside in the Chairman.
- b) Notice: Prior written notice of twenty-one (21) calendar days shall be given to the shareholders for all general meetings; provided, however, that any given meeting of the shareholders may be held upon shorter notice if each of Tiger, SAIF, Sequoia 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 five (5) members; provided, however, that no quorum shall exist until at least one nominee or representative appointed or authorized by each of SAIF, Tiger, Sequoia and the Promoters are physically

present at the meeting, provided such right may be waived by SAIF, Tiger, Sequoia and the Promoters by notification in writing or by electronic mail to the Company. In the absence of a quorum, the general meeting 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 43(d)(iii) below, at any such adjourned general meeting the presence in person of any five (5) members shall constitute a quorum, provided, however, that if the adjourned meeting is an extraordinary general meeting of the Company, no quorum shall exist until at least one nominee or representative appointed or authorized by each of SAIF, Tiger, Sequoia and the Promoters are physically present at such adjourned meeting. Prior written notice of 30 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 43(d)(iii) below, the vote of a majority of the shareholders of the Company 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 Company's shareholders on any matter. At each shareholders meeting, 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 43, 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 of the Company in respect of any of the matters listed in Article 38(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 affirmative vote or approval of an authorized representative of SAIF, Tiger and Sequoia.
- iv. The provisions of Article 43(d) shall be subject to the provisions of Articles 38(c) above.
- v. No decision of the Board shall be taken with respect to any matter listed in Article 38(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 43(d)(iii) above."

Dividend

Article 45 provides that

- "a) The provisions of this Article 45 shall be subject to SAIF's and Tiger's and Sequoia's affirmative rights as provided under Articles 38(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.
- e) 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.
- f) 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.
- g) The Company shall pay dividend in proportion to the amount paid -up or credited as paid-up on each share.

- h) Subject to the provisions of these Articles, the Board may, if it thinks fit, receive from any members, willing to advance the same, all or any part of the amounts of his respective shares beyond the sums actually called up, and upon the moneys so paid in advance, or upon so much thereof as, from time to time, and at any time thereafter, exceeds the amount or calls then made and due in respect of the shares on account of which such advances are made, the Company may pay or allow interest at such rate as may be approved by the Board, provided that at any time after the payment of such money so paid in advance, it shall be lawful for the Board to repay, from time to time, such member so much of such money as shall then exceed the amount of the calls made upon such shares, unless there be an express agreement to the contrary, and after such repayment such member shall be liable to pay and such shares shall be charged with the payment of all further calls as if no such advance had been made. The member so making advance payment shall not, however, be entitled to dividend or to participate in profits of the Company or to any voting rights, in respect of the monies so paid by him, until the same would, but for such payment, become presently payable.”

Transactions with the Company

Article 49 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 50 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 51 provides that “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 is without prejudice to the rights of the holders of shares issued or allotted upon special terms and conditions.”

Secrecy

Article 58 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 Draft Red Herring Prospectus) which are or may be deemed material have been attached to the copy of the Red Herring Prospectus 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/Issue Closing Date.

A. Material Contracts for the Issue

1. Engagement Letter dated April 7, 2011 between our Company and the BRLMs and the supplement letter dated August 11, 2011 between our Company, the BRLMs and the Selling Shareholders
2. Issue Agreement dated August 12, 2011 between our Company, the Selling Shareholders and the BRLMs.
3. Memorandum of Understanding dated August 12, 2011 between our Company, the Selling Shareholders and the Registrar to the Issue.
4. Escrow Agreement dated [●] between our Company, the Selling Shareholders, the BRLMs, Escrow Collection Bank and the Registrar to the Issue.
5. Syndicate Agreement dated [●] between our Company, the Selling Shareholders, BRLMs and the Syndicate Members.
6. Underwriting Agreement dated [●] between our Company, the Selling Shareholders, the BRLMs and the Syndicate Members.

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. Resolutions of the Board of Directors dated July 27, 2011 in relation to this Issue and other related matters.
4. Shareholders' resolution dated August 2, 2011 in relation to this Issue and other related matters.
5. Resolution of the Board of Directors dated August 2, 2011 appointing V.S.S. Mani as the Managing Director of our Company with effect from August 1, 2011.
6. Resolution of the Board of Directors dated August 2, 2011 appointing V. Krishnan as a whole-time director of our Company with effect from August 1, 2011.
7. Resolution dated August 12, 2011 passed by the board of directors of SAIF approving the Offer for Sale.
8. Resolution dated August 11, 2011 passed by the board of directors of Tiger Global Four JD Holdings approving the Offer for Sale.

9. Resolution dated August 11, 2011 passed by the board of directors of Tiger Global Five Indian Holdings approving the Offer for Sale.
10. Resolution dated August 12, 2011 passed by the board of directors of Sequoia approving the Offer for Sale.
11. Letters dated August 6, 2011 from each of V.S.S. Mani, Anita Mani, Ramani Iyer and V. Krishnan approving the Offer for Sale.
12. Consent from SAIF dated August 12, 2011 in relation to the Offer for Sale.
13. Consent from Sequoia dated August 12, 2011 in relation to the Offer for Sale.
14. Consent from Tiger Global Four JD Holdings dated August 11, 2011 in relation to the Offer for Sale.
15. Consent from Tiger Global Five Indian Holdings dated August 11, 2011 in relation to the Offer for Sale.
16. Subscription Agreement dated October 3, 2006 between SAIF and our Company.
17. Subscription Agreement dated April 19, 2007 between SAIF, Tiger Global Four Holdings, Tiger Global Principals Limited, V.S.S. Mani and our Company.
18. Share purchase agreement dated June 16, 2009 between Sequoia, Tiger Global Five Holdings, Tiger Global Principals Limited, SAIF, Raj Koneru, Clearmist Limited, Vemuri Sneha Prabha and our Company.
19. Amended and Restated Shareholders Agreement dated May 23, 2011 between our Company, our Promoters, SAIF, Tiger Global, Sequoia, EGCS and SAPV.
20. Letter dated July 26, 2011 from our Company and our Promoters to SAIF, Tiger Global, Sequoia, EGCS and SAPV.
21. Share subscription agreement dated February 10, 2011 between Amitabh Bachchan and our Company.
22. Share purchase agreement dated May 23, 2011 between Ramani Iyer, V. Krishnan, EGCS Investment Holdings, SAPV (Mauritius) and our Company.
23. Subscription Agreement dated May 23, 2011 between EGCS Investment Holdings, SAPV (Mauritius) and our Company.
24. Scheme of Arrangement dated November 16, 2006 between RRR Computech (India) Private Limited and our Company.
25. Scheme of Arrangement between Just Dial Global Private Limited and its shareholders and creditors.
26. Scheme of Arrangement between our Company, Just Dial Global Private Limited and their respective shareholders and creditors.
27. Agreement for sale of assets dated March 29, 2011 between JD Global and our Company.
28. Services agreement dated March 29, 2011 between JD Global and our Company.

29. Sale/share transfer agreement dated July 21, 2011 between our Company, JD Global and JD USA
30. Trademark license agreement dated August 10, 2011 between JD USA and our Company.
31. Copies of the annual reports of our Company for the last five financial years.
32. The examination reports of the statutory auditor August 9, 2011, on our Company's restated financial information, included in this Draft Red Herring Prospectus.
33. The Statement of Tax Benefits dated August 9, 2011 from the Statutory Auditors.
34. Consent of our Directors, the BRLMs, the Syndicate Members, Domestic Legal Counsel to our Company, Domestic Legal Counsel to the Underwriters, International Legal Counsel to the Underwriters, Registrars to the Issue, Escrow Collection Banker, Bankers to the Issue, Bankers to our Company, Company Secretary and Compliance Officer as referred to in their specific capacities.
35. Due Diligence Certificate dated August 12, 2011 addressed to SEBI from the BRLMs.
36. In principle listing approvals dated [●] and [●] issued by the BSE and the NSE respectively.
37. Tripartite Agreement dated [●] between our Company, NSDL and the Registrar to the Issue.
38. Tripartite Agreement dated [●] between our Company, CDSL and the Registrar to the Issue.
39. IPO Grading Report dated [●] by [●].
40. RBI Approval dated [●] for transfer of the Equity Shares by the Selling Shareholders in the Offer for Sale.

Any of the contracts or documents mentioned in this Draft 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 Draft 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 Draft 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 for Sale.

Signed by the Selling Shareholder

For SAIF II Mauritius Company Limited

DECLARATION

The undersigned Selling Shareholder, hereby certifies that all statements made in this Draft 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 Draft 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 for Sale.

Signed by the Selling Shareholder

For Sequoia Capital India Investments III

DECLARATION

The undersigned Selling Shareholder, hereby certifies that all statements made in this Draft 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 Draft 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 for Sale.

Signed by the Selling Shareholder

For Tiger Global Four JD Holdings

DECLARATION

The undersigned Selling Shareholder, hereby certifies that all statements made in this Draft 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 Draft 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 for Sale.

Signed by the Selling Shareholder

For Tiger Global Five Indian Holdings

DECLARATION

The undersigned Selling Shareholders, hereby certify that all statements made in this Draft Red Herring Prospectus are true and correct, provided however, that the undersigned Selling Shareholders assume no responsibility for any of the statements made by the Company or any other Selling Shareholder in this Draft Red Herring Prospectus, except statements made by the undersigned Selling Shareholders in relation to themselves as Selling Shareholders and the Equity Shares offered and sold in the Offer for Sale.

Signed by the Selling Shareholders

V.S.S. Mani

Anita Mani

Ramani Iyer

V. Krishnan

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 Draft 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 Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

_____	V.S.S. Mani (Managing Director)
_____	B. Anand (Chairman and Independent, Non-Executive Director)
_____	Ramani Iyer (Non-Independent, Non-Executive Director)
_____	V. Krishnan (Non Independent, Executive Director)
_____	Ravi Adusumalli (Non Independent, Non-Executive Director)
_____	Sandeep Singhal (Non Independent, Non-Executive Director)
_____	Sanjay Bahadur (Independent, Non-Executive Director)
_____	Malcolm Monteiro (Independent, Non-Executive Director)
_____	Ramkumar Krishnamachari (Chief Financial officer)

Date: August 12, 2011
Place: Mumbai