



# Making search do more

**12-13**  
Annual Report

**Just Dial Limited**



## **Contents**

### **01-25**

#### **Corporate Overview**

- 02 Just Dial: An Introduction
- 04 Managing Director's Insight
- 06 Financial Momentum
- 08 Bright Progressive Thinking
- 10 Fulfilling needs. Sharpening edge.
- 12 Making our business more interactive
- 13 Delivering value through innovation
- 14 Local convenience has acquired a new name. Just Dial.
- 16 Multiple platforms. Easy accessibility. Enhanced reach.
- 18 Technology and teamwork help build trust
- 20 Committed to higher return on investment
- 22 Profiles of the Board of Directors
- 24 Management Team

### **26-50**

#### **Statutory Reports**

- 26 Management Discussion and Analysis
- 34 Directors' Report
- 38 Report on Corporate Governance

### **51-87**

#### **Financial Statements**

- 49 Independent Auditor's Report
- 52 Balance Sheet
- 53 Profit and Loss Statement
- 54 Cash Flow Statement
- 56 Notes
- 86 Corporate Information
- 87 Notice



# Our needs are many and ever growing.

Besides, in a fast-paced world, we don't have much time to spare.

In such a scenario how do we get the best products and services locally, without depending on personal contacts? The result is a need for a free, fast, reliable and comprehensive information repository that can bridge the local buyers and sellers and accelerate market growth.

The answer to that need is Just Dial. Every day, we address search requests from millions of users across various platforms. Our services

are offered across India's various cities and towns, leveraging an advanced and scalable technology platform, expanding online community, long operating history and a proven monetisation model.

Our advertisers and users depend on our quick and effective services and this precious trust has enabled us to emerge as India's number 1 local search engine.

Every moment we are trying hard to make your search

## achieve more.

# India's most preferred Search Engine



## Brand Just Dial




Headquartered in Mumbai, India, we pioneered local search services since 1996. Today, millions of users and advertisers depend on our services and we play a critical role in helping drive the growth of micro, small and medium enterprises across India's towns and cities.

## Vision

To provide fast, free, reliable and comprehensive information to our users, connect buyers to sellers and provide a quality lead generation platform for various local businesses.



# Multiple Service Platforms

	Search mode	Number of searches*	Average searches/visits per day*	Accessibility
 <b>Internet</b>	Internet-based through a comprehensive website	Total visits* <b>183</b> Million	Average visits per day* <b>5.5</b> Lakhs	Accessible through website <b>www.justdial.com</b>
 <b>Mobile internet</b>	A dedicated mobile application as well as mobile portal	Total visits* <b>42</b> Million	Average visits per day* <b>1.3</b> Lakhs	Accessible through mobile application ■ <b>Just Dial app on iPhone and Android platform</b>
 <b>Voice</b>	Voice calling through hotline numbers	Total voice searches* <b>139</b> Million	Average searches per day* <b>3.8</b> Lakhs	Accessible through hotline numbers ■ <b>08888888888</b> ■ <b>69999999</b>

\*Figures for FY 2012-13

# Managing Director's Insight



## DEAR FRIENDS,

IT IS INDEED A PROUD MOMENT FOR ME TO ADDRESS ALL OF YOU IN THE FIRST ANNUAL REPORT FOR JUST DIAL LIMITED AS A LISTED ENTITY. AT THE VERY OUTSET, I WOULD LIKE TO THANK EACH OF OUR SHAREHOLDERS WHO HAVE REPOSED THEIR TRUST IN THE COMPANY DURING THE INITIAL PUBLIC OFFERING (IPO). IT WAS INDEED HEARTENING TO RECEIVE SUCH AN OVERWHELMING RESPONSE FROM THE INVESTOR COMMUNITY.

In the last 16 years since inception we have evolved considerably, widening and deepening our reach and enhancing our bandwidth of services. In all these years, we have consistently enhanced our capabilities to deliver with speed and accuracy.

The global economic scenario remains challenging at least for the medium term. On the other hand, India's economy faced huge roadblocks, which subdued the growth rate to 5%, a decadal low. Persistent inflation, fiscal and current account deficits and policy uncertainty have contributed to this dismal performance of the economy. Besides, the Indian currency vis-à-vis the dollar has hit historic lows, creating further reasons for temporary instability.

Despite challenges, India's long-term growth prospects remain bright. Three important factors are expected to drive the country's economic prosperity. First, the country's demographic profile will play a major role to accelerate economic growth. Our country is poised to emerge as the world's youngest country in the next seven years with around 464 Million people expected to be between 15 and 35 years by 2021. Second, infrastructure creation in the telecom sector has also played an important part in connecting millions of people and helping elevate their quality of life. The tele-density in the country has increased from a mere 37% in FY 2008-09 to 73% in FY 2012-13.

A combination of affordable handsets and lower voice tariff has ensured deeper and broader penetration of mobile phone usage across India. Finally, there has been a steady increase in internet penetration, which is still considered to be at a



**OUR OVERALL SEARCH REQUESTS  
RECORDED A GROWTH OF 43% TO 364  
MILLION FROM 254 MILLION IN FY 2011-12.**

nascent stage. While we stand at a low internet penetration of 11% (compared to 78% in the US), it is expected to reach 30% by FY 2015-16. These factors offer India and its economy an unparalleled edge in the coming years.

I am pleased to inform you that we registered an outstanding performance in FY 2012-13, despite a tough operating environment. Our overall search requests recorded a growth of 43% to 364 Million from 254 Million in FY 2011-12. Active campaign grew to approximately 206,500 as at March 31, 2013 (from approximately 171,100 as at March 31, 2012). Our total income recorded a growth of 37% to ₹ 376 Crores from ₹ 275 Crores. Our Profit after tax touched ₹ 68 Crores (₹ 70 Crores after adjusting for exceptional item) from ₹ 50 Crores in FY 2011-12.

Your Company has immensely benefited by the mobile and internet revolution in India. Our voice searches grew from approximately 71,000 calls a day in FY 2006-07 to an average of ~381,000 calls a day in FY 2012-13. Since the launch of our internet platform in 2007, today 61% of our total usage (around 1 Million/day) come from the internet platform (both PC and mobile). Both PC and mobile internet use recorded a very high growth rate in the previous year. PC internet recorded a growth of 47%, reaching total search requests of 183 Million for FY 2012-13; while mobile internet recorded a growth of 208% to 42 Million visits in FY 2012-13. The changing mix of search request, (with increasing searches through internet platform and, more particularly the mobile internet platform) not only enhances the overall search experience with user reviews, ratings, photos, videos and so forth, but also helps drive margin expansion for us.

To further enhance the user experience we started capturing user ratings of various businesses. I'm proud to share with you that as of August 31, 2013 we had around 29 Million ratings of various businesses. These ratings are mobile verified and are insulated from any form of manipulation. To the user these ratings and reviews provide a critical input in his/her decision-making process; to the SME it provides a valuable feedback about his/her service. We have also integrated the social media into the ratings by allowing the users to view their friends' ratings of various businesses through social platforms.

It is only logical for your Company to graduate to a level where we can offer conveniences beyond relevant search queries. Towards this end your Company is preparing to launch a number of products in the near future (particularly



**OUR BELIEF IS THAT WITH CHEAPER  
SMARTPHONE HANDSETS AND FALLING  
DATA PLANS, THE NEXT WAVE OF  
INTERNET GROWTH AND EVOLUTION WILL  
BE THROUGH SMARTPHONES.**

on internet platform) through which a user will be able to perform various transactions (like ordering food, fixing doctor's appointment, ordering grocery or booking a cab or a movie ticket). These advantages can be availed through a single common application called the 'master app'. These products and features will only deepen our engagement with users and ensure a higher level of loyalty with our brand.

Our belief is that with cheaper smartphone handsets and falling prices of data plans, the next wave of internet growth and evolution will be through smartphones. We are positioned to leverage this changing landscape in internet penetration to fulfil the needs of both our users and SME advertisers when it comes to local commerce.

I would like to thank our ever increasing fraternity of users for the trust they have reposed in us. I am also grateful to the SMEs who continue to invest in us for lead generation. Finally, I must congratulate the Just Dial Team for performing with dedication and courage and making us the No. 1 local search company in India.

I am excited by what the future holds for us: the increasing internet penetration, powered by mobile internet; people focusing on self-help in a fast-paced world; and India's young population driving the attractiveness of platforms like Just Dial for the SMEs. We are well poised to leverage our brand and ensure that we continue to play a significant role in bridging the gap between millions of users and a large pool of otherwise anonymous SMEs.

I am confident that a year from now, we will definitely be closer to achieving the status of being an integrated one-stop solution provider, going beyond the search mode. We are optimistic to capitalise on one single transformation in the country – what we call offline to online.

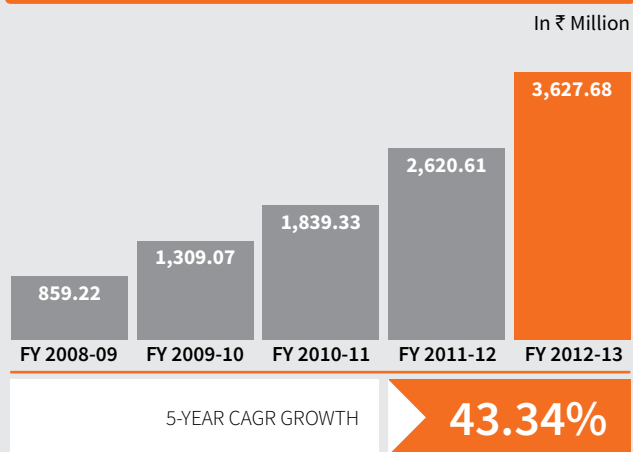
Regards,

**V.S.S Mani**

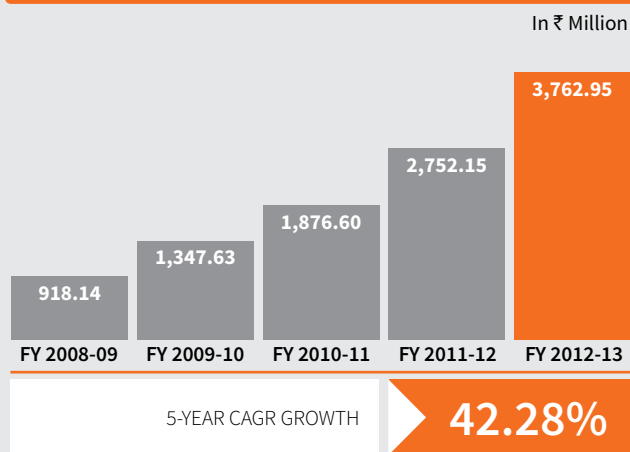
Managing Director

# Financial Momentum

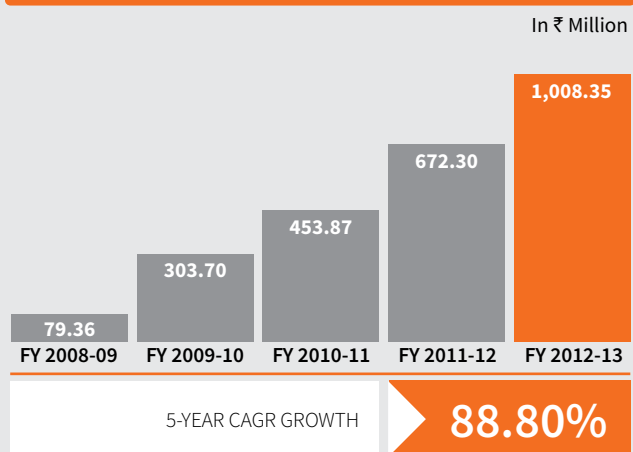
## Operating Revenues



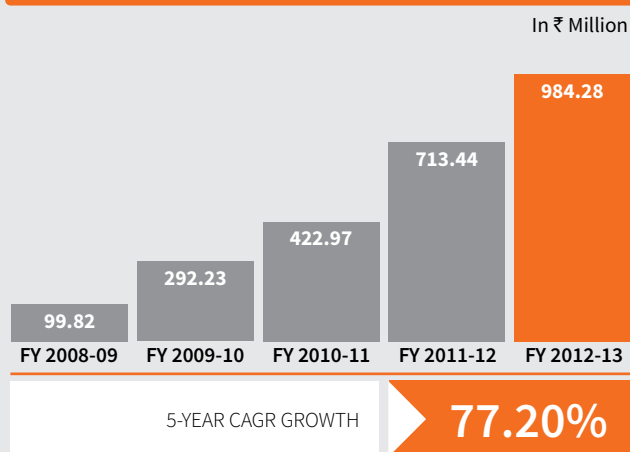
## Total Income



## Operating EBITDA\*

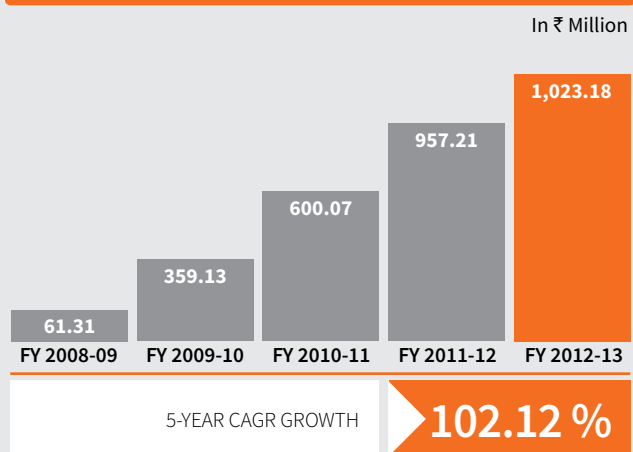


## Profit before Tax

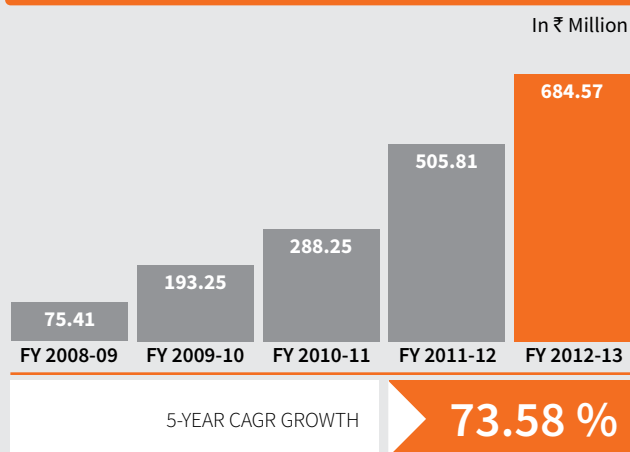


\*Operating EBITDA is arrived at by reducing operating expenses viz. employee expenses and other expenses from operating revenue. It does not include interest, taxes, depreciation and amortisation expenses or other income

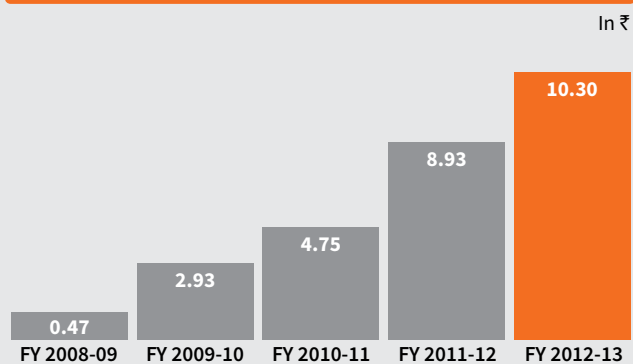
## Net Cash Flow from Operations



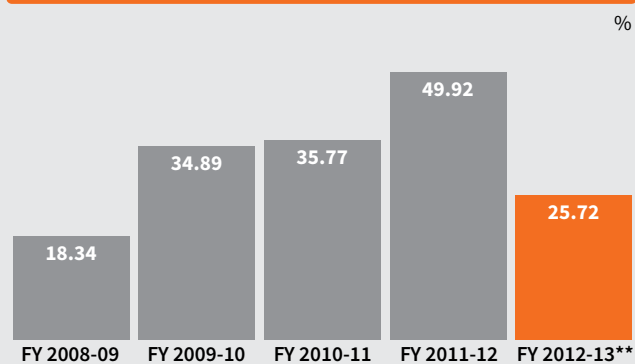
## Profit after Tax



## Earnings per Share (basic)



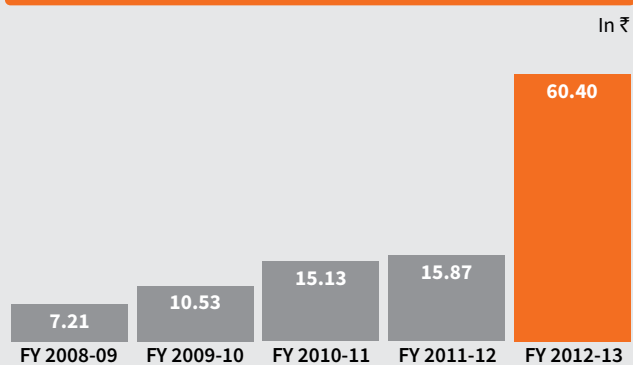
## Return on Net Worth\*



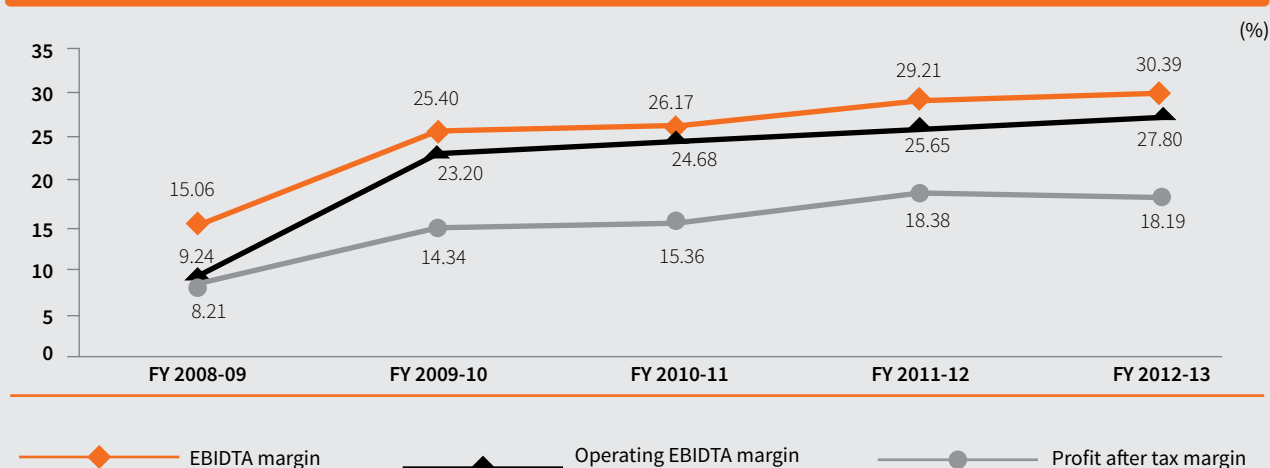
\*Based on Average Net Worth at the end of the period.

\*\*RONW decreased in FY2012-13 due to issue of shares during the year

## Net Asset Value per Share



## Margins at a Glance



# Bright Progressive Thinking

**1993**

A&M Communications Pvt. Ltd. was incorporated

**1996**

Commencement of local search services in Mumbai with the telephone number- 8888888

**1997**

The brand 'Just Dial' was registered

**2000**

Secondary sale of 50% stock by the Promoters to Indiainfo.com Pvt. Ltd.

**2006**

Investment of ₹ 546.9 Million by SAIF II Mauritius Company Ltd. (SAIF)

**2006**

Renamed the Company from A&M Communications Pvt. Ltd. to Just Dial Pvt. Ltd.