

Justdial Limited : Good Issue

IPO Note: Expensive. Has safety net, 10% discount to retail investors and zero debt made issue attractive

Ranking:***



Issue details

Price band (Rs)	Rs.470 - Rs. 543
IPO Opening Date	20/05/13
IPO Closing Date	22/05/13
Issue Size	Rs.822.38-950.11 Cr.

Valuations & Recommendation

As of 31 March, consolidated sales increased to Rs.262 crore in FY2012 from Rs.86 crore in FY09. Profit after tax rose to Rs.52.3 crore in FY12 from Rs.6.94 crore in FY08. EPS for the FY12 stood at Rs/10.07. **The shares are being offered in a price band of Rs 470 to Rs 530 per equity share. The P/E at the lower band works out to 47 times and at the upper band it is 53 times which looks expensive but looking to its debt free status, safety net for retail investors along with 10% discount, we recommend to invest in this issue.**

Highlights

- The company started offering local search services in 1996 under the Justdial brand and it is a leading player in a rapidly growing local search market in India.
- Discount of 10% to the floor price for retail investors
- The issue includes a safety net for retail investors
- CRISIL has assigned a IPO Grade 5/5 to the IPO of Just Dial Ltd.
- Selling advertisement and qualified leads is the main source of earning for Justdial.
- Justdial has a database of approximately 9.1 million listings as of March 31, 2013.
- Just Dial has more than 145,000 paid advertisers
- Justdial's Mission To provide fast, free, reliable and comprehensive information to users and connect buyers to sellers

Company Introduction

Company Profile

Incorporated in 1996, Justdial Limited (Just Dial) is popular local search service provider in India. Just Dial's search services are available to users through Internet, mobile Internet, telephone and text (SMS). Just dial is a 24/7 Free Search service on a single national number 08888888888 that receives over 130 Million Calls



www.justdial.com

Financial Summary (RS. In Crore)

Particulars	FY2012	FY2011	FY2010	FY2009
Sales	262.06	186.26	130.91	85.92
OPM %	31.38	26.64	25.96	16.32
Net Profit	52.28	28.62	18.43	6.94
EPS (Rs)	10.07	5.51	215.35	81.07

Source : ACE Equity

RANKING METHODOLOGY

WEAK	*
AVERAGE	**
GOOD	***
VERY GOOD	****
EXCELLENT	*****

every year. It provides reliable information about local businesses, products and services to the users in over 2000 cities in India. They have more than 300 million customers using JustDial Services.

Selling advertisement and qualified leads is the main source of earning for Justdial. They have more than 145,000 paid advertisers. Companies promote their brand across the Just Dial network and reach millions people who are actively looking for information about the products and services. There are 4 ways available to promote brand or advertise on JustDial including Listing on Web, Listing on Phone Search, Listing on Mobile Search and Placing Video Ads.

Safety Net:

Just dial IPO offers safety net mechanism which will be available to all retail individual investors applying in Just Dial IPO for up to Rs. 50,000. The safety net would trigger in case the price of the share fall over 20% from the issue price.

Issue details:

Domestic search engine Justdial Ltd (JDL) is planning to raise up to Rs 9.5 billion through an initial public offer. The offer constitutes 25 per cent of the fully-diluted post-offer paid-up equity capital of the company and retail investors would get a 10 percent discount on the issued price. The company which provides search service through multiple platforms such as internet, mobile internet and telephone (voice) is likely to use IPO proceeds to enhance brand name and provide liquidity to existing shareholders.

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