

**Analyst & Advisor: Abhishek Jain**  
**www.stocksidea.com**  
**+91-98260-41144**

*Stocks idea*  
*Equity Research*

## **Geodesic information systems—Buy—200—INR**

Sector — IT (Software)  
Regd.Off. — B-3 Lunic Industries MIDC, Andheri(E), Mumbai- 400093  
Listed — NSE, BSE.

### **Company Overview—**

Geodesic was incorporated in the year 1999 has tradition of inspiring original ideas, revolutionary thinking and path-breaking achievements. Geodesic's talented staff of more than 160 software engineers and designers ensures innovation, utility and ease of use. The combination of a highly competent team and state-of-the-art tools enhance the development of future-proof, useful business solutions. Geodesic's mix of innovative products and high performance solutions has driven the company to profit right from its first year. Company was awarded the Inaugural Red Herring Small Cap 100 award and is one of the only Indian companies to be included in the Red Herring Small Cap 100 list. Geodesic is a traded on India's major Stock Exchanges, the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). To attain market leadership, Geodesic has also set up offices in the US, UK, Sweden and Hong Kong with the head quarters in Mumbai, India. In 2005 alone, Geodesic completed the acquisition of 3 companies, PicoPeta Simputers, India, Engage Solutions, Hong Kong as well as a major portion of Clangula IT of Sweden. Co-founder of the company Mr. Pankaj Kumar has more than 24 years of IT industry experience. He was an advisor to SCO and his marketing strategies and distribution channels network resulted in a 75% market share in the Intel Unix market in India. Mirae India Discovery Equity Investment Trust has acquired 3,05,000 shares aggregating to 0.525% of the total share capital of Geodesic Information Systems Limited on March 22,2006.

### **Products & Services—**

Company is focusing its inventive capabilities across all aspects of communication and collaboration. Their areas of speciality include RDBMS, networking applications, web technologies (including interface designing and Interactivity) and security protocols. Company is widely recognized for its pioneering universal instant messaging system ([www.mundu.com](http://www.mundu.com)). The Mundu products successfully combine AIM, Google Talk, ICQ, MSN, Mundu and Yahoo with deep content collaboration across the Internet, wireless devices and platforms. Company provides:

Mundu web content aggregator

Mundu universal Instant Messenger for the desktop

Mundu universal Instant Messenger for Palm devices

ADePT - self-service Ad Management System

Mundu universal Instant Messenger for Symbian Pocket PC, Blackberry and Linux

Mundu Internet Radio for the Palm

Mundu Speak - VoIP on Windows Mobile, Palm and Symbian across GPRS and Wi-Fi (a world first)

Mundu IM referral (word-of-mouth marketing)

All Geodesic products are complimentary of each other. Each product can be used independently but also seamlessly integrates with all other products. Geodesic customers can begin with a single product that fulfills their requirements and as their requirements change or increase; additional products from the Geodesic suite can easily be incorporated. Geodesic was the first in the world to introduce an 'Information Slider' that changed the way people shared and collaborated information.

**MUNDU WEB IM**— Mundu Messenger enables real-time collaboration between trusted lists of IM contacts across public IM Networks on the Web, Desktop and Mobile phone.

**MUNDU IM REFERRAL**— Mundu IM Referral integrates with any web page, desktop client application or mobile phone application. With more than one billion user accounts existing over public IM networks today, IM users can be powerful marketing tools in your campaigns.

**ADEPT (AD DESIGN AND PLACEMENT TECHNOLOGY)**— ADePT provides a tightly integrated and editorially targeted self-service Pay-Per-Click (PPC) and Pay Performance Marketing (PPM) advertising model solution. The capabilities include account, campaign and extensible fraud and credit management. It brings a performance-based billing model to advertisers and online portals seeking greater flexibility.

#### **Financials—**

##### Results for 3<sup>rd</sup> quarter FY2007

Financial Results	Rs.lakhs
Net Sales	4443.80
Other Income	214.80
Gross Income	4658.60
Increase/Decrease in Stock	0.00
Consumption of Raw Materials	1204.40
Staff Cost	171.80
Other Expenditure	167.30
Total Expenditure	1543.50
Interest	.30
Profit Before Depreciation & Taxes	3114.80
Depreciation	576.60
Profit Before Tax	2538.20
Net Profit	2538.20
Adjusted Net Profit	2538.20
Face Value of Share (in Rs.)	2.00
Paid-up Equity Share Capital	1174.30
Dividend (%)	10.00
Basic EPS (in Rs.)	4.32

### **Recent developments—**

Company has stepped into a co-operative relationship with BenQ, on Jan 08, 2007, to distribute Mundu for multiple BenQ smartphone models scheduled for release in 2007. With this relationship, users of BenQ phones would be able to use Mundu for chatting with their friends across major public instant messaging networks, across languages and platforms. Mundu would also enable BenQ users to listen to thousands of radio stations directly from their phones.

Company has decided to proceed with a cash and stock deal for acquisition of upto 100% shareholding of Chandamama India, at its meeting held on Mar 05, 2007. As a part of the deal, company will takeover 94% of Chandamama India by partly paying in cash and the rest by issuance of 317,617 equity shares of Rs 2 each at the rate of Rs 265 per share (price fixed in accordance with SEBI Guidelines) to shareholders of Chandamama India.

Company has launched the latest version 4.0 of its product Mundu IM, a mobile instant messaging product. It is a significant step towards improving the mobile communication. Mundu IM V4 supports Palm OS and Windows mobile smartphone platforms. Mundu IM will soon support windows mobile pocket PC and Symbian series 60 platforms.

### **Valuation—**

Currently there are more than 6 million users through associate sites, system integrators and partners using Company's products. The Geodesic business model is based on a recurring revenue stream. The nature of the products and the business promotes returning customers and all Geodesic products are created with this model in mind. At CMP, stock is trading at attractive valuation of 10.8 X multiple of its FY2008 Estimated EPS. We recommend investors to "Buy" "Geodesic information systems limited" with medium to long-term investment horizon.

**We invite Readers to send Feedback, stock and subscription queries at E-mail Id- [investment\\_guru1@yahoo.com](mailto:investment_guru1@yahoo.com)**

---

Disclaimer: Research group [www.stocksidea.com](http://www.stocksidea.com) has prepared this document. The information and opinions contained in the document have been compiled from sources believed to be reliable. We don't warrant its accuracy, completeness and correctness. Stock market is highly unpredictable & risk involved in investment into the securities, we don't take any liability of any kind of loss or profit due to investment made in securities mentioned in the articles. Our group members may have investment positions in the securities mentioned in the article referred herein and may make purchases or sale thereof while this report is in circulation. This is not an offer to buy or sell the securities mentioned in the articles; calls made here in are for informational purposes only.

---