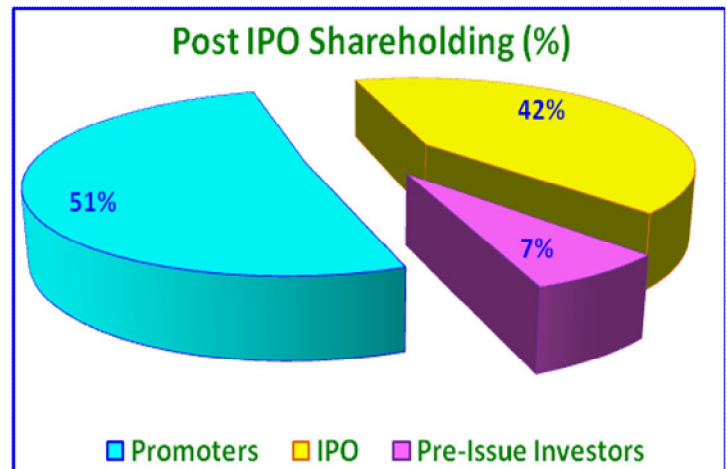




Bharatiya Global Infomedia Limited

INR 75-82 (FV 10)

Sector	IT & ITes
Website	www.bgilinfo.com
Issue Opens	11 July 2011
Issue Closes	14 July 2011
Issue	67.2 Lakhs
Price Band (Rs.)	75-82
Aggregating	Rs. 55.1 Crore
Key Executives	Rakesh Bhatia, Arti Bhatia, Sanjiv Mittal Sanjay Kapoor, HS Anand
Registrar	KARVY
BRLM	Almondz Global
Post Issue Equity	INR 15.84 Crore



Assuming Issue at Rs.82/Share Upper Band

Company Background

Incorporated in 1994, New Delhi based Bharatiya Global Infomedia Ltd (BGIL) is a technology based company, is in the business of Information Technology Based Solutions-RFID & Smart Card and Digital Post Production Studio. BGIL focusing on the sectors such as Information Technology security and compliance automation software solutions and technology related to media & entertainment industry with focus on research & development.

BGIL provides visibility across the IT infrastructure, intelligently identifies security threats and compliance breaches, and automates security and compliance processes to reduce risk. They have total of 32 Radio Frequency Identification solutions, out of which they got registration for 8 solutions from Government of India. The IT division of the Company has developed products in house in its R&D centre in Noida using Radio Frequency Identification (RFID) technology. RFID is the key technology of BGIL and used for identification and tracking of the identity, location and conditions of assets, tools, inventory, people using radio waves.

Objectives of the Issue

The company plans to raise about Rs.55.1 Crore (at upper band) from the issue proceeds. It plans to utilize the amount as:

		(₹ in lakhs)
S. No.	Particulars	Amount
1.	Setting up of our Corporate Office at Noida & Branch Office at Mumbai –	
	(a) Purchase of owned Corporate Office & relocation of Branch Office	989.60
	(b) Upgradation of Digital Post Production Studio and Investment in IT division	2204.67
2.	Expansion of R&D technology centre	656.73
3.	Repayment of bank borrowings	269.72
4.	Meeting long term working capital requirements	505.00
5.	General Corporate Purpose*	[•]
6.	Issue Expenses*	[•]
	Total	[•]



Highlights

- With the growth in Indian economy, Indian Media & Entertainment is also in fast growth trajectory.
- India's logistics sector is also on fast growth trajectory, so is the growth in organized retailing.
- There is good potential for RFID technology in India.
- Bharatiya Global is small player in the industry, with major markets in and around Delhi NCR area.

Financial Highlights

Crore	FY 10	FY 2011	FY 2012 E
Total Sales	46.37	71	88.75
Operating Expenses	38.63	60	75.44
Operating Profits	7.74	11.00	13.31
Interest	0.91	0.75	0.50
Depreciation	2.8	3.46	4.50
PBT	4.03	6.79	8.31
Tax	1.16	2.24	2.66
PAT	2.87	4.55	5.65
Equity (FY 10)	9.12	9.12	15.84
EPS (Rs. Not Annualized)	3.15	4.99	3.57
PE @ Rs. 82	26.06	16.44	22.98

Peerset Comparison

Crore (FY 10)	Bharatiya	Bartronics
FY 11 Total Sales	71	597
FY 11 PAT	4.55	71.25
Equity	9.12	34.05
Face Value	10	10
EPS	4.99	20.93
CMP	82	62
PE	16.44	2.96
Market Cap	74.78	211.11
M Cap/FY 10 Sales	1.05	0.35
PAT (%)	6.41	11.93

Risks

- The issue looks over-priced. Bigger peer in the listed space is at much better valuation.
- A low CARE "Grade 2" to the issue highlights the risks in it.

Valuation & Recommendation: Making Use of BULL Run

Bharatiya Global is a small player in RFID. The valuations look stretched, given bigger peer offering much better value. Low Rating, make it further unattractive. However, given the "Multi bagger" Listing of some of the recent IPOs, it can also be a Jackpot BUT with very much visible risks.



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