



# MSEARCH

## IPO OFFERING

**COMPUTER AGE MANAGEMENT SERVICES LTD**



### About Company

### Recommendation: Subscribe

Computer Age Management Services (CAMS) Ltd is a technology-driven financial infrastructure and service provider. It provides service to mutual funds and other financial institutions. It own 70% market share and is India's largest registrar and transfer agent of mutual funds. CAMS currently provides technology-based services including dividend processing, transaction origination interface, payment, transaction execution, dividend processing, intermediary empanelment, report generation, investor interface, settlement and reconciliation, compliance-related services, and brokerage computation. Its mutual fund clients include 4 of the 5 largest mutual funds as well as 9 of the 15 largest mutual funds based on AAUM, according to the CRISIL Report. It also provides certain services to alternative investment funds, insurance companies, banks and non-banking finance companies. CAMS has a wide network comprising 25 states, 271 service centers<sup>5</sup> and 5 union territories.

Price Band	: Rs. 1229 to 1230 per share
Bid Lot size	: 12 Shares
Issue size	: Rs. 2242 Cr
Issue Opens	: September 21 <sup>st</sup> 2020, Monday
Issue Closes	: September 23 <sup>rd</sup> 2020, Wednesday
Min App Amount	: Rs. 14,760 /- at upper band

**Important Note:** All retail applications compulsory in UPI mode\*. Currently IPO through UPI Mechanism in Retail Category is available only on BHIM App. Application made using third party UPI Id Or ASBA Bank A/c are liable to be rejected.

We believe CAMS IPO gives investors a unique opportunity to invest and own India's largest registrar and transfer agent of mutual funds with almost 70% market share. We like the story with a unique integrated business model having pan India asset-light strategy. If we presume mutual fund AUM is expected to grow by 16-18% CAGR for next 5-6 years, then CAMS is well placed to tap the business growth in the same tandem. Hence, we advise investors to consider the following rationales such as leadership position, a proxy way to the growing mutual funds penetration, stable earnings visibility, strong margins, focused promoters and optimistic industry outlook to invest for long term. On valuations parse at upper price band (Rs 1230/-), the issue is asking for market cap Rs 5997Cr and seeking PE 34x times on FY20 EPS, which seems the issue is fully priced in but asset-light business models typically tend to be valued differently and expect decent 15-20% ROI YoY. **CAMS also enjoys a first mover advantage with no listed players for valuation comparison and high entry barriers protecting investor's risk. Hence, we recommend investors to "SUBSCRIBE" to the issue for long term only as the market always rewards a player who has the growth potential with high returns.**

Kindly Contact Mehta Equities Ltd :  
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