

COMPUTER AGE MANAGEMENT SERVICES LIMITED

Issue highlights

- Promoted by Great Terrain Investment Ltd, **Computer Age Management Services Limited ("CAMS")** was incorporated on May 25, 1988. CAMS is a technology-driven financial infrastructure and services provider to mutual funds and other financial institutions with over 2 decades of experience. **CAMS is India's largest registrar and transfer agent of mutual funds with an aggregate market share of 70%** based on mutual fund average assets under management ("**AAUM**") managed by its clients and serviced by them during November 2019.
- 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 during July 2020.**
- With the initiative of creating an end-to-end value chain of services, CAMS has grown its service offerings and currently provide a comprehensive portfolio of technology-based services and has leveraged its domain expertise, processes and infrastructure to diversify its offering of services in:
 - Electronic payment collections services business;
 - Insurance services business;
 - Alternative investment funds services business;
 - Banking and non-banking services business;
 - KYC registration agency business;
 - Software solutions business;
 - Account Aggregator Business.
- The nature of its services to mutual funds spans multiple facets of its relationship with the investors, distributors and regulators. By providing a range of services, CAMS play an important role in developing and maintaining its clients' market perception. As of July 2020, CAMS serviced ₹19.2 trillion of AAUM of 16 mutual fund clients.
- CAMS offers an integrated and customized portfolio of services through its pan-India physical network comprising 271 service centres spread over 25 states and 5 union territories as of June 30, 2020, and which are supported by call centres in 4 major cities, 4 back offices.
- CAMS has developed in-house and own **Investrak.NET**, a mutual fund transfer agency platform, **myCAMS**, a mobile device investor interface application, **GoCORP**, a distributor focused application, and **MFDEX** a market intelligence product/information database, among many other services.
- The shares will be listed on BSE.

Brief Financial Details*

(₹ In Cr)

Particulars	As at June 30,		As at March 31,		
	2020(03)	2019(03)	2020(12)	2019(12)	2018(12)
Share Capital	48.79	48.76	48.76	48.76	48.76
Reserves	479.41	409.40	491.05	392.53	394.76
Net Worth	528.20	458.16	539.81	441.29	443.52
Revenue from Operations	148.63	175.01	699.63	693.64	641.54
Revenue Growth (%)	(15.07)%	-	0.86%	8.12%	-
EBITDA as stated	45.00	61.98	260.66	217.31	240.25
Profit Before Tax	53.27	59.86	250.78	200.87	226.58
Profit after Tax	40.83	40.15	173.46	130.90	146.31
PAT as % to revenue	27.47%	22.94%	24.79%	18.87%	22.81%
EPS (₹)	8.37	8.23	35.57	26.75	29.93
RoNW (%)	30.92%	35.02%	32.13%	29.56%	32.91%
Net Asset Value (₹)	108.27	93.96	110.71	90.50	90.96
Dividend (%)	-	-	224.70%	150.00%	150.00%

Source: RHP *Restated Consolidated, Numbers for the quarter ended June 30, 2020 have not been annualized

Issue Details

Offer for Sale of up to 18,246,600 Equity Shares by NSE Investments Ltd ("NSEIL")
(The offer shall constitute at least 37.40% of post-offer paid-up equity share capital)

Issue highlights

Issue size: ₹ 2,240 Cr – 2,242 Cr

No. of shares: 18,246,600 Equity Shares

Face value: ₹ 10

Reservation for Employee: 182,500 Shares

Discount for Employee: ₹ 122/- per share

Issue summary

Price band : ₹ 1,229 – 1,230

Bid Lot: 12 Shares and in multiple thereof.

Post Issue Implied Market Cap = ₹ 5,993 Cr – 5,997 Cr

BRLMs: Kotak Mahindra Capital, HDFC Bank, ICICI Securities, Nomura Financial
Registrar: Link Intime India Pvt. Ltd.

Issue opens on: Monday, 21st Sep'2020

Issue closes on: Wednesday, 23rd Sep'2020

Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	28-09-2020
Refunds/Unblocking ASBA Fund	29-09-2020
Credit of equity shares to DP A/c	30-09-2020
Trading commences	01-10-2020

Issue break-up

Reservation for	No of Shares	Amount ₹ Cr		% of Issue
		Upper	Lower	
QIB	9,032,050	1,110	1,111	50%
QIB - Anchor	5,419,230	666	667	-
QIB - Other	3,612,820	444	444	-
NIB	2,709,615	333	333	15%
Retail	6,322,435	777	778	35%
CAMS Emp	182,500	20	20	-
Total	18,246,600	2,240	2,242	100%

Listing: BSE

Shareholding (No. of Shares)

Pre-Offer and Post-Offer Equity Shares

No. of shares	48,760,000
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Shareholding (%)

	Pre-Issue and Post Issue Shareholding(%)
Promoters & Pro. Group	43.50%
Public	56.50%
Total	100.00%

BACKGROUND

The company was incorporated as 'Computer Age Management Services Private Limited' on May 25, 1988. Great Terrain Investment Limited is the Promoter of the company, currently holds an aggregate of 21,224,000 Equity Shares, aggregating to 43.503% of the pre-Offer issued, subscribed and paid-up Equity Share capital of the company.

Great Terrain was incorporated as a private company limited by shares, with limited life, under the laws of the Republic of Mauritius on September 6, 2017. Great Terrain holds a Category I Global Business License issued by the Financial Services Commission. The principal activity of Great Terrain is that of investment holding and it is permitted to carry out investment activities under the provisions of Republic of Mauritius' Financial Services Act 2007. Great Terrain is wholly owned by Harmony River Investment Ltd, which is directly owned by certain private equity funds, which are managed by Warburg Pincus LLC, New York. Great Terrain acquired the Equity Shares of the company pursuant to the Share Purchase Agreement and Fareing Share Purchase Agreement.

Details of equity shareholding of the major Shareholders of the company

Name of the Shareholder	Number of Equity Shares	% of the pre-Offer Equity Share capital (%)
Great Terrain	21,224,000	43.50%
NSE Investments	18,285,000	37.48%
HDFC	2,920,724	5.99%
HDFC Bank	1,623,708	3.33%
HDB Trust	1,555,444	3.19%
Faering Capital India Evolving Fund II	1,241,430	2.54%
Acsys	944,724	1.94%
Faering Capital India Evolving Fund III	708,970	1.45%

Note: No. of Equity Shares and Percentage on a fully diluted basis

Great Terrain has pursuant to the Great Terrain SPAs agreed to sell and transfer 6,108,400 Equity Shares. The Equity Shares shall be transferred as per the terms of the respective Great Terrain SPAs and prior to the Bid/Offer Opening Date. Pursuant to such transfer, Great Terrain will hold 15,115,600 Equity Shares, i.e. 30.98% of the pre-Offer and post-Offer paid-up capital.

In compliance with the requirements of the SEBI Letter, NSE intends to divest its entire shareholding, held through NSE Investments, in the company by way of sale and transfer of (i) 18,246,600 Equity Shares pursuant to the Offer; and (ii) the balance 38,400 Equity Shares pursuant to the NSE Investments SPA. The Equity Shares to be transferred pursuant to the NSE Investments SPA shall be transferred as per the terms of the NSE Investments SPA and prior to the Bid/ Offer Opening Date

Dinesh Kumar Mehrotra is the Non-Executive Chairman and Independent Director of the company. He has previously served as the chairman and the managing director of Life Insurance Corporation of India, where he also served as the executive director of international operations.

Anuj Kumar is the whole time Director and CEO of the company. He was previously associated with Godrej & Boyce Mfg. Co. Ltd., Blow Plast Limited, Escorts Finance Ltd, BillJunction Payments Ltd, IBM India Pvt. Ltd. and Concentrix Daksh Services India Pvt. Ltd. He joined the company in March, 2016.

Narendra Ostawal is the non-executive Director of the company. He is associated with Warburg Pincus India Pvt. Ltd. since 2007 where he currently holds the position of Managing Director.

Zubin Soli Dubash is the non-executive Director of the company. He has previously been associated with ATC Tires Pvt. Ltd., Tata Sons Pvt. Ltd., WNS Global Services Pvt. Ltd. and DSP Merrill Lynch Ltd.

Vedanthachari Srinivasa Rangan is the non-executive Director of the company. He is currently a whole time director of HDFC and is responsible for its treasury, resources and accounts functions of HDFC.

Natarajan Srinivasan is the independent Director of the company. He has previously been associated as a director on the board of directors of Cholamandalam Financial Holdings Ltd. and Cholamandalam Investment and Finance Company Ltd.

Vijayalakshmi Rajaram Iyer is the independent Director of the company. She has previously served as an Executive Director of Central Bank of India and the Chairperson and Managing Director of Bank of India. She was also associated with IRDAI as a member (Finance & Investments).

Key Managerial Personnel

Somasundaram M. is the Chief Financial Officer of the company. He joined the company on July 6, 2009.

S.R. Ram Charan is the Chief Financial Officer-Designate of the company. He joined the company on March 2, 2020.

Srikanth Tanikella is the Chief Operations Officer of the company. He joined the company on December 18, 2014.

Ravi Kethana is the Chief Platform Officer of the company. He joined the company as the Chief Platform Officer on December 10, 2019.

N. Ravi Kiran is the Head – New Businesses of the company. He joined the company on April 3, 2017.

Vasanth Jeyapaul Emmanuel is a senior vice president in the company. He joined the company on October 14, 2017.

Abhishek Mishra is the chief executive officer - insurance of CIRSL. He joined the company on December 2, 2014.

Manikandan Gopalakrishnan is the Company Secretary and Compliance Officer of the Company. He joined the company as the Company Secretary on June 8, 2011.

BUSINESS OVERVIEW

Computer Age Management Services Limited (“CAMS”) is a technology-driven financial infrastructure and services provider to mutual funds and other financial institutions with over 2 decades of experience. CAMS is India’s largest registrar and transfer agent of mutual funds with an aggregate market share of 70% based on mutual fund average assets under management (“AAUM”) managed by its clients and serviced by them during July 2020, according to the CRISIL Report.

Over the last 5 years, CAMS has grown its market share from 61% during March 2015 to 69% during March 2020, based on AAUM serviced, according to the CRISIL Report. 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 during July 2020, according to the CRISIL Report. With the initiative of creating an end-to-end value chain of services, CAMS has grown its service offerings and currently provide a comprehensive portfolio of technology-based services, such as transaction origination interface, transaction execution, payment, settlement and reconciliation, dividend processing, investor interface, record keeping, report generation, intermediary empanelment and brokerage computation and compliance related services, through its pan-India network to its mutual fund clients, distributors and investors. CAMS also provide certain services to alternative investment funds, insurance companies, banks and non-banking finance companies.

The nature of its services to mutual funds spans multiple facets of its relationship with the investors, distributors and regulators. By providing a range of services, CAMS play an important role in developing and maintaining its clients’ market perception. As of July 2020, CAMS serviced ₹19.2 trillion of AAUM of 16 mutual fund clients, according to the CRISIL Report. The 10 year CAGR of QAAUM of mutual funds between March 2010 and March 2020 was 13.4% according to the CRISIL Report, while the 10 year CAGR of QAAUM of mutual funds serviced by them over the same period was 15.8%. The 5 year CAGR of QAAUM of mutual funds between March 2015 and March 2020 was 18% according to the CRISIL Report, while the 5 year CAGR of the QAAUM of mutual funds serviced by them over same period was 21%. Further, its mutual fund clients had 1.98 crore SIP accounts as of June 30, 2020.

The growth of the assets under management (“AUM”) of its mutual fund clients is important to them, as a substantial portion of its mutual fund revenues are based on the mutual fund AAUM of its clients. As a result of the nature of the funds and services provided, CAMS charge more fees from equity mutual funds as compared to other categories of mutual funds. The AUM of equity mutual funds serviced by them grew from ₹218,000 crore as of March 31, 2015 to ₹522,800 crore as of March 31, 2020, at a CAGR of 19.1%, and as of June 30, 2020 was ₹619,000 crore.

Over the years, CAMS has leveraged its domain expertise, processes and infrastructure to diversify its offering of services to cater to a variety of other financial services sectors.

- In the **electronic payment collections services business**, CAMS manages mandated transactions, including registering of mandates, initiation of collections, reconciliation and the related reporting services for mutual funds, non-banking finance companies and banks.
- In the **insurance services business**, CAMS offers processing of new business applications, holding policies in dematerialized form, servicing policies and other support functions to insurance companies. For the financial year 2018, CAMS had a market share of 39% of the insurance repository business, based on e-insurance policies being managed, according to the CRISIL Report.

- In the **alternative investment funds services business**, CAMS provides services to investors manage records and perform fund accounting and reporting, among other services, for alternative investment and other types of funds.
- In its **banking and non-banking services business**, CAMS offers digitization of account opening, facilitation of loan processing and back-office processing services to banking and non-banking financial institutions.
- In its **KYC registration agency business**, CAMS verifies and maintain KYC records of investors for use by financial institutions.
- In the **software solutions business**, CAMS technology team develops software for its mutual funds services business and for mutual fund companies.

CAMS technology driven infrastructure and services are integral to the operations of its clients. Its solutions help reduce the need for the clients to make significant investments in operational infrastructure, thereby allowing them to increase their focus on their core business activities. CAMS offers an integrated and customized portfolio of services through its pan-India physical network comprising 271 service centres spread over 25 states and 5 union territories as of June 30, 2020, and which are supported by call centres in 4 major cities, 4 back offices (including a disaster recovery site), all having real time connectivity, continuous availability and data replication and redundancy. Further, it offers many of its services online and through its several mobile device applications, to investors, its clients, their distributors and their channel providers. The continued development of proprietary platforms and applications has furthered its competitive technology advantage.

CAMS has an established track record of delivering robust financial results. For the 3 months ended June 30, 2020 and the financial year 2020:

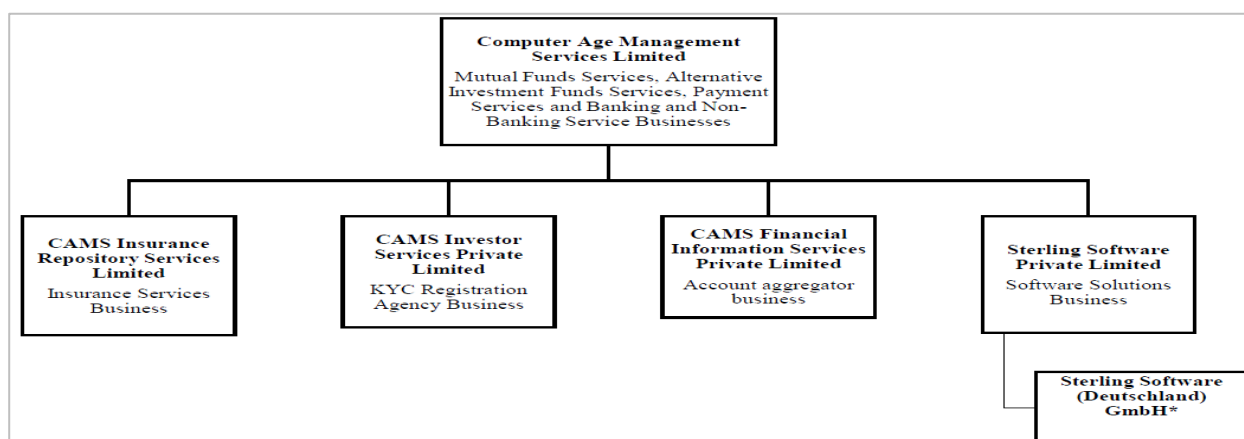
- The Total income was ₹163.46 crore and ₹721.34 crore, respectively.
- The Revenue from the mutual funds services business was ₹133.33 crore and ₹608.25 crore,
- The Revenue from the other businesses was ₹15.30 crore and ₹91.38 crore, respectively.
- The Profit after Tax was ₹40.83 crore and ₹173.46 crore, respectively.

Further, they paid ₹ 59.39 crore, ₹109.56 crore and ₹96.06 crore as dividend (excluding dividend distribution tax) in the financial years 2020, 2019 and 2018, respectively.

Revenue from Operations:

	For the quarter Ended June 30,				Year Ended March 31,					
	2020		2019		2020		2019		2018	
	₹ in Cr	% to Total	₹ in Cr	% to Total	₹ in Cr	% to Total	₹ in Cr	% to Total	₹ in Cr	% to Total
Data processing	125.84	84.67%	135.75	77.57%	553.39	79.10%	535.04	77.14%	493.51	76.93%
Customer Care services	7.99	5.38%	15.47	8.84%	62.55	8.94%	65.65	9.46%	71.17	11.09%
Recoverable	5.00	3.36%	13.04	7.45%	36.26	5.18%	47.95	6.91%	41.08	6.40%
Miscellaneous services	8.64	5.81%	9.03	5.16%	38.79	5.54%	35.28	5.09%	30.76	4.79%
Software license fee, development & support services	1.17	0.79%	1.71	0.98%	8.65	1.24%	9.71	1.40%	5.03	0.78%
Total	148.63	100.00%	175.01	100.00%	699.63	100.00%	693.64	100.00%	641.54	100.00%

CORPORATE STRUCTURE CHART



*CAMS is currently in the process of winding down the operations of Sterling Software (Deutschland) GmbH. They are currently in the process of closing other banking and non-banking services business.

BUSINESS VERTICALS

Products, Services and Operations

CAMS is a financial infrastructure and services provider operating in 7 business verticals: Mutual Funds Services Business, Electronic Payment Collection Services Business, Insurance Services Business, Alternative Investment Fund Services Business, Banking and Non-Banking Services Business, KYC Registration Agency Business and Software Solutions Business.

• **Mutual Funds Services Business**

CAMS provide a range of technology-enabled infrastructure to mutual funds. They are involved through the life cycle of an account - from the stage of account creation to processing transactions and redemption of the amount invested. It provides transaction origination services, operations services, investor services, risk management services and compliance services.

Key Performance Indicators

	As of and for the 3 months ended June 30,	As of and for the financial year ended March 31,				
	2020	2020	2019	2018	2017	2016
Total AAUM of the mutual funds serviced (₹ in Cr)	1743.33	1814.97	1,584.12	1,375.85	1,029.36	793.15
Equity Oriented* (₹ in Cr)	575.07	670.67	623.25	488.48	292.11	232.74
Number of transactions handled (in Cr)	7.59	32.84	31.29	25.00	15.18	11.52
Number of live folios (in Cr)	3.98	3.94	3.71	3.18	2.30	1.93
Number of total investor folios (in Cr)	7.18	7.09	6.36	5.48	4.40	4.00
Number of PAN accounts handled (in Cr)	1.60	1.59	1.48	1.24	0.87	0.72
Number of SIP transactions processed (in Cr)	5.85	23.75	19.17	13.22	8.39	6.32

*Does not include Arbitrage schemes

The company offers the following service under its mutual funds services business:

- **Transfer Agency Services:** CAMS has developed and implemented several technology platforms to service its clients efficiently. With the assistance of these platforms, they support its clients with the following key functions:
 - **Transaction Origination:** CAMS offers transaction origination services (both paper-based and electronic), including managing KYC requirements of investors.
 - **Operations:** CAMS is responsible for accepting and executing orders on behalf of its mutual fund clients and provide transaction processing and payments services to them. It performs record keeping functions and ensures that all records are stored in a digital format on its servers.
 - **Investor Services:** CAMS accept transaction requests from investors (in both physical and online modes), process the transaction and report its effect on the unit capital and thereafter send transaction confirmation to investors and their distributors. It also computes and pays the brokerage fees and reconciles the bank accounts of the investors and distributors. It also sends investors periodic statements and alerts and operates contact centres to assist investors with their queries.
 - **Risk Management:** CAMS offers a variety of services to its mutual fund clients such as anti-money laundering services, reporting to Government agencies and authorities such as the SEBI and suspicious transaction reporting. These risk management services assist its mutual fund clients in conducting diligence of their investors.
 - **Compliance:** CAMS assist its mutual fund clients in complying with the scheme document requirements, KYC regulations and SEBI regulations.
- **Customer Care Services:** CAMS offers customer care services through its back offices at Chennai and Coimbatore, its pan India network of service centres and its national toll free call centre. All these customer touch points have access to investor information and the ability to accept customer transactions for execution at the applicable NAV date. It has an aggregate of over 275 TB of storage of data in its businesses as of June 30, 2020.

Its front offices act as a physical touch point for the receipt, initial verification and processing of financial and non-financial transactions and result in saving significant cost and time for its clients. As of June 30, 2020, it has employed 1,242 personnel at its front offices. They have 4 back offices located at Chennai and Coimbatore and had employed 3,455 personnel at its back offices, as of June 30, 2020. They provide inbound and outbound call centre services to its clients from its centres established at Mumbai, New Delhi, Chennai and Kolkata. It also operates a distributor help desk, which has been set up exclusively as a touch point to handle all queries for mutual fund distributors.

- **Distributor Services:** CAMS offers distributors a service package to help them provide efficient services to its customers. The scope of its services to distributors include:
 - Recording of distributors empaneled for each client along with sub-distributor related information;
 - Recording and maintenance of brokerage structures applicable for various products and schemes;
 - Computation of various types of brokerage payable;
 - Claw-back of brokerages where conditions relating to retention of invested amount are not satisfied;
 - Addressing distributor queries on the above functions.

CAMS recently launched a **mobile application edge360**, with several features enabling its distributors to service their investors more efficiently.

- **Technology and Mobile Applications for its Mutual Fund Business:** CAMS has developed and implemented various technology platforms and its technology driven infrastructure and services are integral to the operations of its clients. Its key platforms include:
 - **myCAMS:** This is a B2C mobile application to facilitate retail mutual fund transactions. The application enables investors to create a new folio and works with their other applications to allow investors to immediately start making SIPs in the Company serviced mutual funds, of their choice. The numbers of myCAMS registered users have grown from 0.2 million as of March 31, 2015 to 3.3 million as of June 30, 2020.
 - **CAMServ:** This application has a self-service chatbot to help investors navigate through mutual fund services and investing options. It helps investors to make changes or corrections to their personal information; order different types of mutual funds statements and tax related statements.
 - **CAMSmart:** This application was developed to service mutual funds and is a business intelligence service. It assists with reporting, predictive and prescriptive analytics, data mining, measuring business performance and benchmarking.
 - **digiSIP:** The application is designed for investors and distributors and has been developed to obtain minimal data input from existing investors thereby eliminating the process time required for separate mandate registration for each SIP. It helps investors and distributors in setting up multiple SIPs at one time.
 - **GoCORP:** This application is a corporate investment portal designed for corporates. It provides a single gateway to transact across multiple participating mutual funds and does away with the need to complete multiple forms and transaction slips.
 - **mf360:** This is a proprietary front office investor service application and is targeted at mutual funds. The application allows mutual funds to track transactions, investor enquiries and account statement requests. It provides efficient document management using bar codes.
 - **mfCompass:** This application assists in linking the transfer agent's back offices with the mutual funds front office in real time, while offering a holistic and real time view of inflows and outflows to the fund managers. It allows quick reporting of physical applications received through mutual fund branches with limited data encoding requirements.
 - **mfCRM:** This is a mobility solution for mutual fund relationship and sales managers to better manage investor relationships and distributor performance. It provides real time access to funds data directly from the transfer agent's database and industry data from its data aggregation service MFDEX. It allows relationship managers to have ready access to accurate data such as investors' portfolio and distributors' sales performance on the application itself.
 - **MFDEX:** The application helps with the aggregation of mutual fund data with various parameters. It is a sales and business intelligence tool aggregating data of several mutual funds and allows a participating

mutual fund to review its own performance and the performance of other funds for the period, performance in a historic period or in relation to the aggregated mutual fund industry.

- **edge360:** This application was developed for mutual fund distributors and advisors. It enables the tracking of brokerage for transactions, with paid or unpaid details. It provides distributors the ability to view, track and manage portfolios of new, active and dormant investors.
- **Recon Dynamix:** This platform helps drive operational efficiency by providing handling, payouts and reconciliation of general ledgers, payments and transactions. It can be used as a standalone platform or integrated with existing ERP systems.

• **Electronic Payment Collection Services Business**

As part of its electronic payment collection services business, CAMS manages end-to-end automated clearing house transaction and electronic clearance services (“ECS”) and service mutual funds, non-banking financial companies and insurance companies. It provides these services through CAMSPay, which is a highly automated ECS or NACH platform that supports periodical or adhoc payments to be collected from customers electronically through the National Payment Corporation of India’s ECS or NACH platform. It also provides services to non-banking financial companies and has expanded the scope of this business to facilitate payments through Immediate Payment Service and Unified Payments Interface technology.

• **Insurance Services Business**

CAMS conduct their insurance services business through its Subsidiary, CAMS Insurance Repository Services Limited. As of June 30, 2020 and March 31, 2020, 2019 and 2018 it held over 0.29 crore, 0.28 crore, 0.21 crore and 0.05 crore e-insurance policies. According to the CRISIL Report, CAMS had a market share of 39% of the insurance repository business, based on e-insurance policies being managed, during the financial year 2018. As part of its insurance services business, it assists its clients with agent management, branch operations, processing of new business applications, servicing policies and other permitted support functions.

• **Alternative Investment Fund Services Business**

As part of its alternative investment fund services business, CAMS provides services to investors manage records and do fund accounting and reporting, among others. It has 77 alternative investment fund (“AIF”) clients, having an aggregate of ₹16,027 crore in AAUM for June 2020. As of March 31, 2020, 2019 and 2018, they had 79, 66 and 60 AIF clients, respectively. The services that it offers to the AIF clients include:

- Creation of investor record, including conducting KYC;
- Fund accounting services and reconciliation;
- Creation of MIS and reporting systems;
- Data processing;
- Intermediaries revenue management;
- Investor service management including document management services and notarization of documents;
- Dispatching drawdown notices and collection management on behalf of the AIF.

• **Banking and Non-Banking Services Business**

- **Customer Interface Services:** CAMS assist its bank and NBFC clients with processing of applications and setting up of new accounts. It also assists with loan application processing and loan disbursement.
- **Back-office Processing:** CAMS assist with managing the operations of a bank’s processing centres and hubs, assist with the digitalization of forms and mailroom and logistics functions.

However, **they are currently in the process of closing their banking and non-banking services business and expect to complete this process by December 2020.**

• **KYC Registration Agency Business**

CAMS operates its KYC Registration Agency Business through its Subsidiary, CAMS Investor Services Pvt. Ltd., which is one of 5 entities granted a KRA license by SEBI. CAMS launched this service in July 2012, and as part of its KYC Registration Agency Business, they maintain KYC records of investors, on behalf of capital market intermediaries registered with SEBI, eliminating the need to repeat KYC procedures. Its online services for intermediaries include verification of PAN card details, facilitate uploading new KYC data, entering data for new KYC applicants, scanning

and uploading KYC document and viewing and downloading KYC data maintained by them as well as other KYC registration agencies.

- **Software Solutions Business**

CAMS conduct its software solutions business through its subsidiary, SSPL. SSPL owns, develops and maintains the technology solutions for mutual fund clients and as of June 30, 2020, it had a technology team of 428 personnel. Through its subsidiary, CAMS has developed **Investrak.NET**, a scalable mutual fund transfer agency platform, among others. It assist with website design and development for other businesses and consumers, providing mobility solutions, performing trend analysis, business intelligence and analytics based services, and technical and domain consulting services.

- **Account Aggregator Business**

Its Subsidiary, **CFISPL** was issued an in principle approval by the RBI on May 8, 2018 for undertaking business as an **account aggregator**, valid for a period of 12 months, within which CFISPL was required to put in place necessary technology platform and complete all legal and operational formalities to commence operations. Subsequently, CFISPL was granted a certificate of registration by the RBI to carry on the business of non-banking financial institution without accepting public deposits.

Further, they have applied for registration as a **Central Recordkeeping Agency** under the National Pension System as per PFRDA Regulations, 2015.

Clients

CAMS key clients for its mutual funds services business include HDFC Asset Management Co. Ltd., ICICI Prudential Asset Management Co. Ltd., Aditya Birla Capital Ltd., SBI Fund Management Pvt. Ltd., DSP Investment Managers Pvt. Ltd., Kotak Mahindra Asset Management Co. Ltd. and Franklin Templeton Asset Management (India) Pvt. Ltd.

Network and Other Infrastructure

Its front office operations are conducted through its pan-India physical network of 271 service centres spread over 25 states and 5 union territories as of June 30, 2020. These service centres have real time connectivity to its central data centre.

It has 4 back offices located at Chennai and Coimbatore, including a central distributor helpdesk, which acts as a single point of contact for distributors and 3 data centres. IT has a disaster recovery site in Mumbai built to ensure business continuity across all its critical functions in the event of a disaster. It has an aggregate of over 275 TB of storage of data in its businesses as of June 30, 2020. It also has call centres in Mumbai, New Delhi, Chennai and Kolkata.

COMPETITIVE STRENGTH

- **Largest Infrastructure and Services Provider in a Large and Growing Mutual Funds Market**

CAMS is India's largest registrar and transfer agent of mutual funds. The nature of its services to mutual funds spans multiple facets of its relationship with their investors, distributors and regulators. By providing a range of services, CAMS plays an important role in developing and maintaining its clients' market perception. In addition, the number of folios serviced by CAMS grew from 3.94 crore as of March 31, 2020 to 3.98 crore as of June 30, 2020. Its operating model has assisted in contributing to the growth of its mutual fund clients by providing real time, uninterrupted, pan India services. The term of relationship with HDFC Asset Management Company Limited, ICICI Prudential Asset Management Company Limited, SBI Funds Management Private Limited and Aditya Birla Capital Limited, its 4 largest mutual fund clients, averages 18 years as of June 30, 2020.

- **Integrated Business Model and Longstanding Client Relationships in its Mutual Funds Services Business**

Utilizing its diverse portfolio of technology enabled services and leveraging the pan-India physical network, domain expertise of the Indian financial services ecosystem and a comprehensive risk management system, CAMSW has built an integrated business model and has longstanding client relationships in its mutual funds services business.

Its business model and client relationships offer them several key advantages.

- CAMS offers an integrated business model wherein its portfolio of services offered and its pan-India physical network enable its clients to leverage its technology-driven financial infrastructure. Further, it is challenging for its clients to replicate its ecosystem (the physical network or the technology platforms) in-house and moving to a competitor is time consuming and disruptive.
 - According to the CRISIL Report, the amount of time to be invested in migration, a high risk of business disruption, data loss, as well as customer and regulatory issues make it a bigger task to switch to a competitor.
 - Its pan-India physical network comprising 271 service centres spread over 25 states and 5 union territories as of June 30, 2020, which are supported by call centres in 4 major cities - Mumbai, New Delhi, Chennai and Kolkata is time consuming, difficult and expensive to build and maintain.
 - CAMS has developed a committed client base – its clients rely on its infrastructure and expertise built over decades of experience for day-to-day aspects of their business building on client loyalty. The average term of its relationship with their 10 largest mutual fund clients is 19 years as of June 30, 2020 and over a 5 year period, they lost one client as a result of the merger of such fund with another fund that was serviced by a competitor.
 - CAMS engagement with its clients, their distributors, their investors and regulators is frequent and is with intent to further enhance the quality and security of services provided. According to the CRISIL Report, CAMS has accumulated significant domain knowledge on mutual fund investors and the mutual fund business through years of experience in servicing investors.
- **Scalable Technology Enabled Ecosystem**

The use of advanced technology to innovate and improve its services for not only the clients but also their investors, their distributors, channel providers and regulators is embedded in the culture of the company. Its commitment to client and investor service is evidenced by a satisfaction rate of over 95% as of March 31, 2020, in the SEBI mandated investor satisfaction survey. Further, SEBI complaints, as a percentage of transactions handled, reduced from 0.015% in the financial year 2015 to 0.004% in the financial year 2020.

Its IT team comprising of over 606 qualified professionals as of June 30, 2020 manage a comprehensive proprietary IT infrastructure, develop innovative products and ensure systems and data security, in addition to offering 24x7 support to its clients. Further, they offer many of its services online and through its mobile device applications, for investors, their clients, their distributors and their channel providers. **CAMS has developed in-house and own Investrak.NET, a mutual fund transfer agency platform, myCAMS, a mobile device investor interface application, GoCORP, a distributor focused application, and MFDEX a market intelligence product/information database, among many other services.**

• **Strong Focus on Processes and Risk Management**

CAMS clients are regulated financial institutions and the services CAMS provides to them must be accurate, timely and continuous, secure and technologically advanced as they are considered to be necessary to the functioning of financial services industry. In its mutual funds services business, CAMS assists its clients with their compliance requirements, including submission of reports to regulators.

CAMS continuously monitor its systems and processes. Its relentless focus on systems and processes has contributed significantly to its growth and allowed them to become a trusted provider of services to its clients and other stakeholders. They continue to automate processes and enhance their systems and risk management to try to ensure that all its obligations and regulatory requirements are fulfilled on a timely basis and without error.

CAMS has implemented a cyber-security and cyber resilience policy and established a technology committee comprising of eminent specialists from IIT Bombay and IIT Madras, as well as the banking industry. The initiatives taken by them to improve its processes and systems include limiting one email address per investor account, implementing a DNS utility to prevent virus attacks, establishing direct real time data backup, among others.

• **Experienced Management and Board and Marquee Shareholders**

CAMS management team has extensive experience in a variety of financial services sectors, with a demonstrated ability to grow and diversify the business. Anuj Kumar, the Whole-time Director and Chief Executive Officer, has over 2 decades of experience and has been with the company since June, 2016. Its Key Management Personnel have average work experience of over 27 years and have been with the company for over 5 years. The Board of Directors collectively possess an effective mix of skills and attributes with significant business, operational, technology, finance, insurance, legal and investment experience in a diverse range of industries. **The marquee shareholders include Great Terrain (an affiliate of Warburg Pincus), HDFC, HDFC Bank and NSEIL, among others.**

STRATEGIES

• **Maintain the Leadership Position by enhancing Service Offerings to Mutual Fund Clients**

A key element of CAMS business strategy is to continuously enhance the scope of its service offerings in the core mutual fund registrar and transfer agency business and further deepen integration with its clients and improve value delivery. CAMS has been focused on adding services for its existing mutual fund clients relating to servicing of investors, interface with investors, distributors and other stakeholders, risk management, process automation, data analytics and business intelligence in order to grow and maintain its share of business and revenues from its mutual fund clients. For example, its anti-money laundering service, which detects, investigates and reports suspicious transactions are separately provided and additionally chargeable. They also recently launched edge360, a tool for distributors to enable the tracking of fees for transactions and the ability to view, track and manage portfolios.

• **Continue the Technology-led Services Innovations**

Company's market position has been a function of its in-house technology capabilities, which they plan to continue investing in. Their spend on technology has continued to be significant and the advantages available to them by developing and investing in technology include client commitment and loyalty, economies of scale, effective risk management, scalability, expansion to the adjacent financial services sectors, among others. The company is engaged in several such initiatives in the areas of reconciliation, brokerage computation, digitization of paper transactions, quality control, among others.

• **Achieve Leadership in Individual Businesses and then Target Scale**

CAMS invest in creating sustainable and scalable business platforms early on in the life cycle, and focus on delivering incremental value to its clients. Most of its businesses and client relationships in such businesses continue to grow over time and at scale the businesses contribute favourably to its profitability. Key new offerings continue to be imbued with a platform character and are technology-based. They launched CAMSPay, which is an end-to-end highly automated National Automated Clearing House ("NACH") platform that supports electronic payments through the National Payments Corporation of India platform.

• **Improve Automation in the Businesses**

Through automation, CAMS targets to not only improve cost efficiencies but also enhance customer experience. They are currently engaged in several automation projects, including automation of subscription reconciliation, purchase and SIP processes, document receipts and storage. Its applications, such as myCAMS, GoCORP, digiSIP, CAMSserv, edge360 are aimed not only at enhancing the investor and distributor ease of operation but also to automate the flow of transactions, thereby reducing manual efforts and risks associated with manual efforts.

COMPETITORS

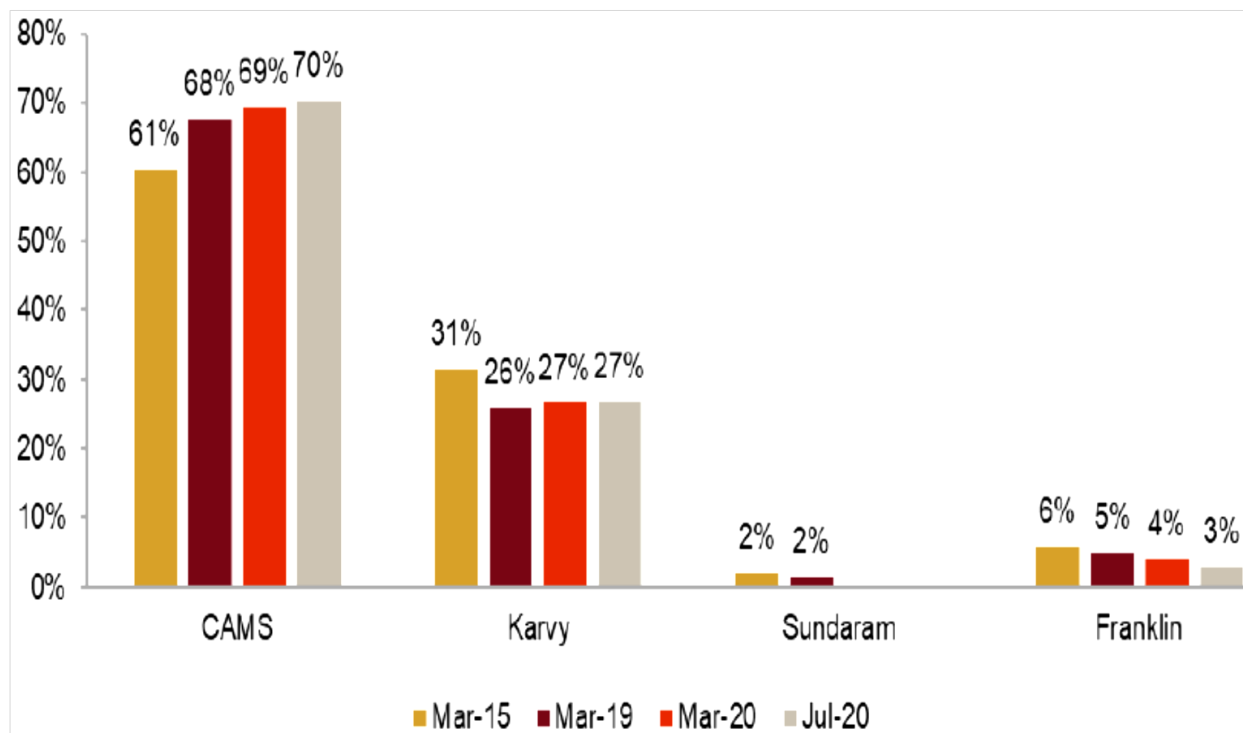
Business Verticals	Competitors
Mutual Funds Services Business	<ul style="list-style-type: none"> • KFin Technologies Pvt. Ltd. (erstwhile Karvy Fintech Pvt. Ltd.)
Electronic Payment Collection Services Business	<ul style="list-style-type: none"> • Indiaideas.com Limited (BillDesk), • Ingenico ePayments India Pvt. Ltd. (Tech Process), • Razorpay Software Pvt. Ltd.
Insurance Services Business	<ul style="list-style-type: none"> • NSDL Database Management Ltd, • Karvy Insurance Repository Services Ltd. • CDSL Insurance Repository Ltd.
Alternative Investment Fund Services Business:	<ul style="list-style-type: none"> • KFin Technologies Pvt. Ltd., • Sundaram BNP Fund Services Ltd. (now acquired by KFin Technologies Pvt. Ltd. • IL&FS Securities Services Ltd.
Banking and Non-Banking Services Business:	<ul style="list-style-type: none"> • Karvy Data Management Services Ltd., • PAMAC Finserve Pvt. Ltd. • Suma Soft Pvt. Ltd.
KYC Registration Agency Business	<ul style="list-style-type: none"> • CDSL Ventures Ltd, • Dotex International Ltd. • Karvy Data Management Services Ltd
Software Solutions Business	<ul style="list-style-type: none"> • KFin Technologies Pvt. Ltd.

INDUSTRY OVERVIEW

According to the CRISIL Report, the growth in the Indian mutual funds industry is expected to continue as a result of overall economic growth, a growing investor base, higher disposable incomes and investable surplus, increasing financial savings, government schemes focusing on increasing awareness, ease of investing, digitalization, and perception of mutual funds as long-term wealth creators.

Mutual Fund Registrar and Transfer Agent

Computer Age Management Services Ltd ("CAMS"), KFin Technologies Pvt. Ltd. (erstwhile Karvy Fintech Pvt. Ltd) ("Karvy"), Sundaram BNP Paribas Fund Services (acquired by Karvy in October 2019) and Franklin Templeton Asset Management (India) Pvt Ltd are the mutual fund registrar and transfer agents ("MF RTA") operating in India. Among the top 5 AMCs, HDFC Mutual Fund, ICICI Prudential Mutual Fund, SBI Mutual Fund and Aditya Birla Sun Life Mutual Fund are serviced by CAMS and Nippon India Mutual Fund is serviced by Karvy.



Note: Also, Infra debt funds (IIFCL and IL&FS Asset Management) are excluded from AAUM. Sundaram BNP Paribas Fund Services Limited has been acquired by KFin Technologies post October 2019. AAUM for the month of March and July of the financial year has been considered.

Comparison of key players in the MF RTA business

The analyses the operational performance and key financial indicators of CAMS and Karvy (which together account for approximately 96% of the MF RTA industry) for the financial year 2020:

Particulars	CAMS	Karvy
Revenue from operations (in ₹ crore)	699.6	449.9
CAGR growth in revenue from operations (FY 2015-2020)	12.8%	9.1%
PAT margin	23.9%	1.0%
EBITDA margin	42.8%	36.0%
RoE	34.1%	3.0%
Monthly AAUM (in ₹ Cr) managed by fund houses serviced (Mar'2020)	1,714,278	657,045
Monthly AUM CAGR % (Financial Year 2015- 2020)	18.6%	11.6%
Quarterly AAUM (in ₹ Cr) managed by fund houses serviced (Mar'2020)	1,874,013	724,621
Quarterly AUM CAGR % (Financial Year 2015- 2020)	21.2%	12.3%
No of clients (Top 10)	6	3
No of clients (Top 5)	4	1
No of branches/Locations	271	203
Monthly AUM/branch	6,326	3,237

Note: Consolidated financial statements of each entity have been considered.

The EBITDA margin for CAMS after adjusting for AS 116 is 39.3%, no such adjustment is available for Karvy

The AUMs of AMCs and number of AMCs serviced by CAMS, Karvy and Sundaram BNP Paribas Fund Services between financial years 2015 and 2020:

AAUM as of month	CAMS		Sundaram BNP Paribas		Karvy (including Karvy Computer Share)	
	AAUM (₹ trillion)	No of MF Clients	AAUM (₹ trillion)	No of MF Clients	AAUM (₹ trillion)	No of MF Clients
July 2020	19.19	-	^	-	7.30	-
March 2020	17.14	16	0.34	2	6.22	22
March 2019	16.59	16	0.38	2	6.37	22
March 2018	14.73	15	0.40	2	6.54	21
March 2017	11.68	15	0.35	2	5.68	21
March 2016	8.23	15	0.28	2	4.24	22
March 2015	7.30	15	0.25	2	3.80	23
CAGR (financial year 2015-2019)	18.6%	-	6.6%	-	10.4%	-

Note: The data above represents average AUM for respective periods. Also, infra debt funds (IIFCL and IL&FS Asset Management) are excluded from average AUM. ^ Sundaram BNP Paribas Fund Services Ltd has been acquired by Karvy post October 2019.

Insurance repositories act as a single stop shop for policy servicing for e-insurance policies

Currently, 4 companies are performing the function of insurance repositories:

- CAMS Insurance Repository Services Ltd;
- Central Insurance Repository Ltd;
- KARVY Insurance Repository Ltd; and
- NSDL Database Management Ltd.

The details of the total e-insurance policies and e-insurance accounts with each insurance repository:

Repository Name	Total E-Insurance Policies		Total E-Insurance accounts	
	Nos.	% to Total	Nos.	% to Total
NSDL Database Management Ltd	558,514	45%	555,701	35%
CAMS Insurance Repository Services Ltd	487,777	39%	515,681	32%
KARVY Insurance Repository Ltd	132,049	11%	174,553	11%
Central Insurance Repository Ltd	691,35	6%	354,388	22%
Total	1,247,475	100%	1,600,323	100%
Total policies issued	~51.4 Cr	Note: For total policies – life insurance policies (Life insurance council – number of policies in force in financial year 2018) and general insurance policies (general insurance council – no. of policies issued in financial year 2018) data considered		
E-insurance policies as a % of total	~0.24%			

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