

EDUCATIONAL EQUITY RESEARCH REPORT : ELECTION SPECIAL

COMPUTER AGE MANAGEMENT SERVICES LTD.

(NSE : CAMS , BSE : 543232)



DATE : 9/4/24



WE AT AS RESEARCH TECHNIC ,INITIATE OUR COVERAGE ON COMPUTER AGE MANAGEMENT SERVICES LTD. CAMS is a technology driven financial infrastructure and services provider to Mutual Funds and other financial institutions for over 25 years. As the market leading Registrar and Transfer Agency to the Indian Mutual Fund industry, CAMS serves ~69% of the average assets under management – as of June 2023. We also provide technology enabled service solutions to Alternatives and Insurance Companies.

ABOUT THE BUSINESS :

Computer Age Management Services Limited (CAMS) is a mutual fund transfer agency serving Indian. asset management companies. The company was incorporated in 1988 and is headquartered in Chennai. It became publicly listed in October 2020, subsequent to an initial public offering (IPO) through subsequent to an initial public offering (IPO) through an offer by its existing shareholders. Technology is at the Core of CAMS' Services

PROS :

- Company has a good return on equity (ROE) track record: 3 Years ROE 44.7%
- Company has been maintaining a healthy dividend payout of 91.0%

CONS :

- Stock is trading at 19.3 times its book value
- The company has delivered a poor sales growth of 8.91% over past five years.

RESEARCH ANALYST :

P.SUNANDINI

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FINANCIAL SNAP SHOT :

MARKET CAP	15446
STOCK P/E	49.5
ROE	39.7 %
CURRENT PRICE	₹ 3,042
BOOK VALUE	₹ 163
ROCE	48.5 %
HIGH	₹ 3,242
LOW	2,008
DIVIDEND YIELD	1.20 %
FACE VALUE	₹ 10.0

SHARE HOLDING PATTERN:

PROMOTERS	0
FIIS	47.69%
DIIS	23.07%
PUBLIC	29.26%
NO.OF	4,46,888
SHAREHOLDERS	

KEY POINTS :

- CAMS HAS TAKEN 3 DECADES OF TECHNOLOGY EXCELLENCE AND DOMAIN EXPERTISE, TO DIVERSIFY BEYOND MUTUAL FUNDS.
- THESE STRATEGIC BUSINESS AREAS PREFER HIGH GROWTH POTENTIAL ,SUPPORTED BY REGULATORY DEVELOPMENTS AND EVOLVING INVESTOR LANDSCAPE DRIVEN BY TECHNOLOGY .
- AT CAMS, WE SEEK TO BUILD ON OUR MARKET LEADING POSITIONS ACROSS THESE BUSINESSES AND UNLEASH GROWTH POTENTIAL.
- THE COMPANY IS OFFERING PLATFORM BASED SERVICES TO INVESTORS SUCH AS DIGITAL ON BOARDING , AML SERVICES, TRANSACTION PROCESSING, MANAGING RECORDS, FUND ACCOUNTING AND REPORTING , RECONCILIATION AND CREATING OF MIS AND REPORTING SYSTEMS TO ALTERNATIVE INVESTMENT AND OTHER TYPES OF FUNDS.
- THE SEGMENT IS WITNESSING STRONG MOMENTUM WITH INSURANCE POLICY HOLDERS PROACTIVELY OPTING TO DEMATERIALIZE POLICIES AND UNDER TAKE KYC, IN RESPONSE TO IRDAI'S REGULATORY PROPOSAL.
- THE COMPANY HAS REGISTERED STRONG VOLUMES IN FY 23 WITH 14.25 LAKH e-POLICY ISSUANCES AND 11 LAKH e-INSURANCE ACCOUNT OPENING.
- CAMS IS MAINTAINING SUSTAINED ENGAGEMENTS WITH STAKEHOLDERS TO IDENTIFY AND ADDRESS THEIR NEEDS , AND BUILD LONG TERM RELATIONSHIPS.
- IT HAS WORLD-CLASS TECHNOLOGY INFRASTRUCTURE AND TECH- ENABLED PRODUCTS AND SERVICES CREATED THROUGH DECADES OF EXPERTISE.

PEER COMPARISON :

S.No.	Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	Sales Qtr Rs.Cr.	ROCE %
1	BSE	2756.35	91.74	37314.46	0.44	426.1	13.23
2	NBCC	128.2	56.76	23039.08	0.42	1918.61	26.4
3	C D S L	1876.2	55.55	19606.3	0.85	214.48	30.32
4	Multi Comm. Exc.	3575.9	26417	18227.62	0.53	191.53	13.16
5	Cams Services	3188.1	50.25	15663.38	1.18	268.88	48.47
6	Indian Energy Ex	142.35	38.52	12679.69	0.7	115.3	51.79
7	KFin Technolog.	636.8	47.61	10884.19	0	218.72	29.34

- CAMS IS INDIA'S LARGEST REGISTRAR AND TRANSFER AGENT (RTA) OF MFs WITH 69% MARKET SHARE IN AAuM.
- IT IS A TRUSTED PARTNER TO 10 OF THE 15 LARGEST (BASED ON AAuM) MFs IN INDIA, INCLUDING ALL THE FOUR LARGEST FUNDS.
- IT HAS MADE 61% SHARE IN NEW SIP REGISTRATIONS.
- CAMSfinserv IS WORKING WITH MICROSOFT INDIA TO DEVELOP A ROBUST TECHNOLOGY FOUNDATION FOR THE ACCOUNT AGGREGATOR (AA) MARKET PLACE IN INDIA,TO ACCELERATE DIGITAL TRANSFORMATION IN AREAS SUCH AS CREDIT LENDING,INVESTMENT ADVISORY AND PERSONAL FINANCE MANAGEMENT.
- THE COMPANY WON THE "CLOUD INNOVATOR OF THE YEAR " AWARD IN THE LARGE COMPANY SEGMENT AT THE NASSCOM ENTERPRISE CLOUD ADOPTION AWARDS 2022
- **THE SHARE PRICE CAN GO UPTO 3537 IF IT BREAKS 3384 ON THE UPPER SIDE .**
- **THE SHARE PRICE CAN GO UPTO 2708 IF IT BREAKS 2802 ON THE LOWER SIDE .**
- HENCE,CAMS CAN BE CONSIDERED A GOOD INVESTMENT OPTION DUE TO ITS STRONG GDP FIGURES, ALONG WITH THE SUPPORT FROM CUSTOMERS .

PIVOT TABLE :

		SUPPORT				RESISTANCE		
DATE	WEEK CLOSE	S3	S2	S1	PIVOT	R1	R2	R3
02-04-2024	3138.9	2775.8	2873.4	3023.2	3127.4	3277.2	3384.4	3537.8
01-04-2024	3138.9	2870.05	2906.8	2949.5	2984.75	3027.45	2984.8	3105.4
28-03-2024	2915.65	2803.79	2851.97	2883.35	2931.97	2936.35	3011.8	3043.8
27-03-2024	2915.65	2708	2802	2861	2955	3014	3108	3167
26-03-2024	2915.65	2871.66	2928.33	2974.66	3031.33	3077.66	3134.3	3180.7
22-03-2024	3089.1	2748.56	2835.43	2962.26	3049.13	3175.96	3262.8	3389.7

DISCLAIMER: INVESTMENT/TRADING IN SECURITIES MARKET IS SUBJECT TO MARKET RISK,PAST PERFORMANCE IS NOT A GUARENTEE OF FUTURE PERFORMANCE.THE RISK OF LOSS IN TRADING AND INVESTMENT IN SECURITIES MARKETS INCLUDING EQUITIES AND DERIVATIVES CAN BE SUBSTANTIAL.