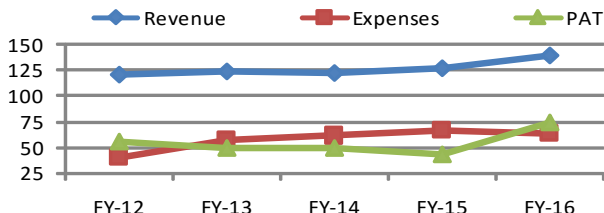


CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED (CDSL)				
IPO DETAILS (TENTATIVE)		IPO OBJECTIVES		
ISSUE SIZE	RS.404.42 CR	1. Achieve the benefits of listing on Exchanges		
PRICE BAND	113-115	2. Enhance it's visibility and brand image and provide liquidity to it's existing shareholders.		
FACE VALUE	10			
ISSUE OPEN	19-06-17	CATEGORY	No. of shares	Rs. (CRS)
ISSUE CLOSE	21-06-17	Anchor	10,340,162	118.91
ISSUE SHARES	35167208	QIB	6,893,442	79.27
LOT SIZE	130	NII	5,170,081	59.46
LISTING	NSE, BSE	RII	12,063,523	138.73
ISSUE TYPE	Book Building Issue	Employee	700,000	8.05
BACKGROUND & OPERATIONS				
<p>Incorporated in 1999, Central Depository Services (India) Limited (CDSL), a subsidiary of BSE Limited operates as a securities depository in India. They offers various services, such as account opening, dematerialization, processing delivery and receipt instructions, account statement, re-materialization, pledging, nomination, transmission of securities, change in address, bank account details and SMS services for depository participants. CDSL also offers facilities to issuers to credit securities to a shareholder's or applicant's demat accounts; KYC services in respect of investors in capital markets to capital market intermediaries; and facilities to allow holding of insurance policies in electronic form to the holders of these insurance policies of various insurance companies. In addition, they provides other online services, such as e-voting, e-locker, national academy depository, electronic access to security information, electronic access to security information and execution of secured transaction, drafting and preparation of wills for succession, and mobile application and transactions using secured texting. It serves investors through intermediaries, such as depository participants, issuer companies, registrar and transfer agents, beneficial owners, and clearing members.</p>				
CONSOLIDATED FINANCIAL PERFORMANCE GRAPH (IN CRORE RS)				
		EPS (As per R.H.P)		
		FY 14-15	Rs. 5.52	
		FY 15-16	Rs. 8.71	
		FY 16-17	Rs. 8.21	
		RONW (As per R.H.P)		
		FY 14-15	13.86%	
		FY 15-16	18.99%	
		FY 16-17	16.08%	
FINANCIAL DETAILS				
<ol style="list-style-type: none"> The revenue of CDSL has grown at a CAGR of 11% over the previous four Fiscals In terms of market share of demat accounts, CDSL has been growing at a higher rate with a CAGR of 8% CDSL has experienced a growth in market share from 39% in Fiscal 2011 to 43% in Fiscal 2016 CDSL has gained in market share with respect to incremental demat accounts from 46% in Fiscal 2012 to 58% in Fiscal 2016 				
COMPANY PROMOTER		BSE LIMITED		
OFFER FOR SALE (NO FRESH ISSUE) DETAILS				
<ol style="list-style-type: none"> All Offer For Sale and no fresh issue like the recently launched BSE IPO. BSE's stake is set to decline to 24% after CDSL IPO. SBI and Bank of Baroda to reduce their shareholdings. Calcutta Stock Exchange to Sell all 1,000,000 shares it owns. 				
TOP 10 SHAREHOLDERS IN CDSL				
SR.NO	SHAREHOLDER	Equity Shares	Percentage	
1	BSE LIMITED	52297850	50.05	
2	STATE BANK OF INDIA	10000000	9.57	
3	HDFC BANK OF INDIA	7500000	7.18	
4	STANDARD CHARTERED BANK	7500000	7.18	
5	CANARA BANK	6744600	6.45	
6	BANK OF INDIA	5820000	5.57	
7	BANK OF BARODA	5300000	5.07	
8	LIFE INSURANCE CORPORATION OF INDIA	4336750	4.15	
9	UNION BANK OF INDIA	2000000	1.91	
10	BANK OF MAHARASHTRA	2000000	1.91	

KEY STRENGTHS	
<ol style="list-style-type: none"> 1. Steady Revenue growth in the past years and high growth in the past financial year along with increasing interest of general public in the stock market. 2. CDSL is gaining ground against its counter party NSDL and in the last couple of years has generated more demat accounts than NSDL which can be a source of greater future earnings as more accounts will be kept in demat form. 3. Its subsidiary CDSL Ventures is registered with the SEBI and the Unique Identification Authority of India (UIDAI) as Authorized and KYC user agency. 4. Solid Profitability record with margins that never went below 34% in the past 4 years and recent previous year its profitability was at 52.3% which is quite remarkable. 5. CDSL has paid dividends regularly to its shareholders in the last four years and considering that BSE will continue to remain the biggest shareholder, this policy is unlikely to change any time soon 	
KEY RISK FACTORS	
<ol style="list-style-type: none"> 1. BSE has been loosing to its rival NSE but that's not the case with CDSL and NSDL. 2. Stock trading in India is still considered niche and risky by a large portion of investing public, including people who end up investing in stock markets indirectly through mutual funds. 3. Profits were declining in the past 3 years but CDSL has shown a very strong performance in the current year. 4. CAGR is less than its direct rival NSDL at 11% compared to 12%. 	
TAKE AWAY	
<ol style="list-style-type: none"> 1. The company is one of the two depositories in India which makes it one of the most sought after IPOs in INDIA. 2. Given its stable growth and dividend payments backed up by solid performance in the current financial year it can be a darling to investors. 3. Scalable business model which largely consists of fixed operating costs and result in higher economies of scales. 	
Conclusion:	
BSE being it's parent company and CDSL being one of the two depositories in India along with it's generous dividend policy, we suggest our investors to subscribe CDSL IPO for medium to long term.	
SUBSCRIBE CDSL IPO	
Research Analyst	Mr. Vishal Wagh Email: research@grovalue.in Contact No. 022-62166666
References	
Company Website	https://www.cdsindia.com/index.html
Red Herring Prospectus	http://www.sebi.gov.in/filings/public-issues/dec-2016/central-despository-services-india-limited_33908.html
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