

**Date:** 27 December 2017

**Publication:** The Economic Times

**Edition:** Delhi / Mumbai / Pune / Ahmedabad / Kochi / Bangalore / Hyderabad / Chennai / Kolkata

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## **GOING PUBLIC** Country's largest cash management firm looking to raise ₹1,300 cr, may launch issue in third week of January

# CMS Info Systems Likely to Kick Off IPO Season 2018

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**Mumbai:** Baring Private Equity Asia-promoted CMS Info Systems, India's largest cash management company, is likely to go to the primary market in the third week of January to raise about ₹1,300 crore in the first initial public offer (IPO) of 2018.

Baring will dilute about 30% of its stake in the IPO, giving CMS a valuation of about ₹4,500 crore, bankers told **ET**. The company expects to raise around ₹1,200-1,300 crore with its offer for sale of 4.44 crore equity shares of ₹10 each.

CMS Info Systems, set up in 2009 after an investment by the Blackstone Group, had sought to acquire the majority stake in certain key businesses of CMS Computers. In 2011, CMS Info Systems acquired Securitrans India, thus consolidating its position as the leading cash management services company in the country.

In 2015, Baring acquired 100% of CMS Info Systems for ₹2,000 crore, and 53% of the equity came from Blackstone Group, 37% from the Grover family, and 10% from the management team led by Rajiv Kaul.

Kotak Mahindra Capital Company, Axis Capital, and UBS Securities have been appointed as book running lead managers for

IPOs with Sebi Approval		IPOs Awaiting Sebi Approval	
Company	Size*	Company	Size*
Acme Solar Holdings	2,200	National Stock Exchange	10,000
Hindustan Aeronautics	1,600	ICICI Securities	3,000
Reliance Gen Insurance	1,600	Srei Equipment Finance	2,000
CMS Info Systems	1,200	Lemon Tree Hotels	1,000
Prince Pipes & Fittings	800	Barbeque-Nation Hospitality	700
Aster DM Healthcare	775		

\*Estimated (₹Crore) SOURCE: Prime Database

the first IPO of 2018.

CMS is the local market leader in cash management, based on the number of automated teller machines (ATMs) and retail pick-up points. It enjoys a market share of 25.6%, based on the total number of ATMs in India, according to a Frost & Sullivan report cited in the offer document of the company.

The Frost & Sullivan report says that India has one of the lowest ATM penetration rates in the world, with only 19.7 ATMs per 100,000 adults, compared to a global average of 40.5 ATMs per 100,000 adults as of December 31, 2015.

New Delhi has undertaken initiatives aimed at increasing financial inclusion to give the public greater access to bank branches and ATMs,

particularly in rural regions, where ATM penetration is very low at 4.6 machines per 100,000 adults.

Besides CMS Info Systems, hospital chain Aster DM Healthcare, which re-filed its issue prospectus with the market regulator last August with a reduced offer size, is likely open its IPO in January, according to banking sources.

In 2017, 36 companies raised a record ₹67,150 crore through IPOs. The previous record was 2010, when 64 companies raised ₹37,535 crore.

Some of the large IPOs receiving Sebi approval include Acme Solar with a tentative target of ₹2,200 crore, and Hindustan Aeronautics and Reliance General Insurance, with likely issuances of about ₹1,600 crore each.