

Issue Details	
Issue Opens	23-Jan-17
Issue Closes	25-Jan-17
Issue Size (Rs. Crore)	1243
Face value (per equity share)	2
Price Band (Rs.)	805- 806
Lot Size (No of Share)	18
No of Shares on Offer (crore)	1.54
QIB (%)	50%
Non-Institutional (%)	15%
Retail (%)	35%
Commencement of Trading	03-Feb-17

Shareholding pattern	Pre Issue (%)	Post Issue (%)
Promoters and Promoter Group	0.0	0.0
Public (incl institutions and employees)	100.0	100.0
Total	100.0	100.0

Objects of the Issue

- To achieve the benefits of listing the Equity Shares on NSE
- For the sale of Equity Shares by the Selling Shareholders.
- Listing of the Equity Shares will enhance its visibility and brand image and provide liquidity to its existing Shareholders.

Issue Date: 23rd Jan – 25th Jan 2017
 Price Band (Rs.) : 805- 806
 Lot Size (No. of Share) : 18

Company Background

BSE Limited is the owner and operator of BSE Exchange (Bombay Stock Exchange), India's largest stock exchange by number of companies listed. The Bombay Stock Exchange was established in year 1875 as the first & the fastest stock exchange in world with the speed of 6 micro seconds. Today BSE has over 5000 companies listed on it, the highest in any exchange around the world. Worlds two leading global exchanges, Deutsche Bourse and Singapore Exchange are strategic partners of BSE.

Financials

Particulars	For the year/period ended (in Rs. Million)				
	FY-16	FY-15	FY-14	FY-13	FY-12
Total Assets	29,177	28,758	25,923	27,273	27,916
Total Revenue	5,159	4,392	3,328	3,389	4,028
Profit After Tax	1,319	756	748	398	1,116

Concerns

- Broad market trends and other factors beyond control could significantly reduce demand for services and harm business, financial condition and results of operations.
- Operates in a business environment that continues to experience significant and rapid technological change.
- Trading on equity derivatives segment is less than that on the NSE and there is no guarantee that BSE can successfully compete in the equity derivatives segment against the NSE.

Strengths

- Strong brand recognition with a track record of innovation
- Diversified and integrated business model and active relationship with market participants
- State-of-the-art infrastructure and technology

Our View

BSE IPO is being launched at a price band of Rs.805-806 per share. At the higher price band of Rs.806 per share, it works out to a modest PE of 16.6x its FY17E EPS, making it a very attractive IPO for investors. There is no listed peer in India who is in similar business for comparison, hence we cannot say whether the issue price is over priced or under priced.

Company revenues grew at 3% CAGR in last 3 years. It generated profits of 24% in FY16. BSE is a good brand. It would be only listed company in India in stock exchange business after listing. While revenue growth is not that great, considering higher margins and investor sentiments, this IPO can create investor attention for IPO subscription. High risk investors can invest in this IPO with 2-3 years time frame.