

DAM Capital commenced its operations in the securities market in 1993 as S.S. Kantilal Ishwarlal Sharebrokers and Investors Private Limited. In 1994, it rebranded and operated under the name S.S. Kantilal Ishwarlal Securities Private Limited (“SSKIPL”). In 2006, Infrastructure Development Finance Company (“IDFC”) commenced the acquisition of SSKIPL which culminated in 2008. In 2019, IDFC group divested its entire stake, which was acquired by Dharmesh Anil Mehta and other investors. Subsequently, in July 2020, its name was changed to DAM Capital Advisors Limited.

Business Overview :

- DAM Capital is one of the leading merchant banks in India with a market share of 12.1%. It is also the fastest growing merchant bank in India by revenue CAGR from Fiscals 2022 to 2024 with the highest profit margin in Fiscal 2024 among the peers considered (CRISIL Report).
- Backed by marquee investors with varied backgrounds and a diverse board of directors. Its board of directors comprises industry leaders, financial experts and thought leaders from different sectors.
- Company provides a wide range of financial solutions in areas of (i) merchant banking comprising equity capital markets (“ECM”), mergers and acquisitions (“M&A”), private equity (“PE”) & structured finance advisory (ii) institutional equities comprising broking & research.
- Its business operations include two principal business lines: (i) merchant banking contributing 54% of the total income 6 months Sep 2024 (ii) institutional equities contributing 39.5% of the total income 6 months Sep 2024.
- It leverages its deep domain knowledge across sectors and products combined with vast experience of its team to provide strategic advisory and capital markets solutions to its diverse and marquee clientele including corporates, financial sponsors, institutional investors and family offices.
- From the date of the Acquisition i.e., November 7, 2019 till October 31, 2024, it has successfully executed 72 ECM transactions comprising 27 initial public offerings (“IPOs”), 16 qualified institutions placements (“QIPs”), 6 offer for sale (“OFS”), 6 preferential issues, 4 rights issues (“Rights Issues”), 8 buybacks (“Buybacks”), 4 open offers (“Open Offers”) and 1 initial public offer of units by a real estate investment trust (“REIT”).
- It has also advised on 23 advisory transactions including M&A advisory, private equity advisory and structured finance advisory and has also executed block trades since the Acquisition i.e. from November 7, 2019 till October 31, 2024.
- The institutional equities business, as of October 31, 2024, comprises of 29 employees in research and 34 employees in its broking team. They service 263 active clients including registered FPIs spread across geographies such as India, USA, UK, Europe, Hong Kong, Singapore, Australia, Taiwan, South Korea, Middle East and South Africa.
- Company has achieved rapid growth with the total income being Rs.182.00 crore, Rs.85.04 crore and Rs.94.50 crore for Fiscals 2024, 2023 and 2022, respectively, representing 38.77% CAGR over the same period. The total income for the six months ended September 30, 2024 was Rs.109.58 crore. Its profit after tax was Rs.70.52 crore, Rs.8.67 crore and Rs.21.89 crore for Fiscals 2024, 2023 and 2022, respectively, representing a 79.46% CAGR over the same period. Its profit after tax for the six months ended September 30, 2024 was Rs.43.78 crore.
- India is projected to almost double its nominal GDP by Fiscal 2030 (Source: CRISIL Report). In Fiscal 2024, the equity markets in India have achieved record levels in terms of market capitalisation of listed companies and the benchmark index performance. India’s market capitalisation rose by a strong 52% year-on year to Rs.394 trillion as of March 31, 2024, marking it the second highest growth in a year in the last 14 years (Source: CRISIL Report).

NSE SYMBOL	DAMCAPITAL
SECTOR	STOCK / COMMODITIES SERVICES
ISSUE SIZE	Rs. 840.25 Crs.
PRICE BAND	Rs. 269 - 283
BID SIZE (Nos.)	53
FACE VALUE	Rs. 2.00
MARKET CAP	Rs. 2000.41 Crs
RATING	NEUTRAL

TENTATIVE DATES	
ISSUE OPEN DATE	19TH DEC 2024
ISSUE CLOSE DATE	23RD DEC 2024
BASIS OF ALLOTMENT	24TH DEC 2024
INITIATION OF REFUNDS	26TH DEC 2024
CREDIT OF SHARES	26TH DEC 2024
LISTING DATE	27TH DEC 2024

- DAM Capital is strategically positioned to capitalize on India's growth story. By leveraging its deep industry expertise, robust research capabilities, and large investor distribution network in its institutional equities business, it provides tailored solutions to its clients. Its client retention demonstrates its personalized, solution oriented approach and its proven execution capabilities.
- Its intellectual capital is the cornerstone of its success, which allows it to be well-informed about market opportunities and adapt its business strategies efficiently. As on October 31, 2024, it has a team of 121 employees across businesses comprising seasoned personnel with experience in executing transactions across product lines and sectors. Its senior team is extensively involved in building client relationships and structuring and executing its clients' transactions.
- Company's team has an average of over 15.7 years of work experience with 54 of 121 employees having over 18 years of work experience.
- Company intends to develop long-term partnerships with growing companies by providing comprehensive financial and advisory support across the life cycle of the companies through private equity, M&A, IPOs and by undertaking post listing transactions.
- To enhance its cross-border transaction capabilities and expand its global reach, it aims to explore a strategic partnership with a global merchant bank. It intends to tie-up with a partner bank which has global network, deep market insights, and specialized products in regions and sectors where it seeks to expand.

(Source— RHP)

STRENGTHS

- It is the fastest-growing merchant bank in India.
- Proven execution with in-depth understanding of sectors and products.
- Institutional equities platform with comprehensive research and execution capabilities.
- Extensive coverage of corporates, financial sponsors and institutional investors, with repeat business.
- Experienced management and professionals, backed by a majority independent board.
- Strong track record of revenue growth and profitability.

(Source— RHP)

OBJECTS OF THE OFFER

- **The Offer for Sale** - Company will not receive any proceeds from the Offer for Sale of shares of Rs. 840.25 crores. The Selling Shareholders will be entitled to their respective portion of the proceeds of the Offer for Sale.

RISKS

- Company operates in a highly regulated environment which is subject to changes in laws and, regulations and government policies.
- Company and its subsidiary, DAM USA, are subject to periodic inspections by various statutory and regulatory authorities and its international operations increase the risks that it faces in the USA and from regulators of USA.
- Its merchant banking and institutional equities business is highly dependent on market and economic conditions.
- It has negative cash flow from operating activities Fiscal 2024 and may continue to have negative cash flows in the future.
- The operation of its businesses is highly dependent on information technology, and it is subject to risks arising from any failure of, or inadequacies in, its IT systems.
- Its business operations might get impacted on the implementation of SEBI's consultation paper on SEBI (Merchant Bankers) Regulations, 1992.
- It has witnessed negative cash flow from operating activities Fiscal 2024 and may continue to have negative cash flows in the future.

PEER COMPARISON

	Face Value (Rs.)	CMP In Rs. (18-12-2024)	TTM EPS (Rs.)	BV per share (Rs.)	P/E (X)	P/BV (X)	M. Cap / Sales
ICICI Securities	5.00	859.60	63.32	137.38	13.6	6.3	4.5
IIFL Capital services	2.00	357.75	23.16	71.68	15.4	5.0	4.4
JM Financial	1.00	135.26	12.51	91.13	10.8	1.5	2.7
Motilal Oswas Financial	1.00	953.75	56.48	184.72	16.9	5.2	6.3
DAM Capital Advisors	2.00	283.00	12.39	28.65	22.8	9.9	9.1

(**On upper price band and on FY 2025 annualised EPS)

PROFIT & LOSS A/C
(In Rs. Crore.)

	FY 2022	FY 2023	FY 2024	6 MONTHS SEP FY 2025
Revenue from operations				
Interest Income	1.64	3.45	6.21	5.26
Dividend Income	0.01	0.00	0.00	0.00
Fees and commission Income	91.35	81.44	173.84	102.50
Net gain on fair value changes	0.37	0.04	0.00	0.00
Total revenue from operations	93.37	84.93	180.04	107.75
Other income	1.14	0.12	1.96	1.83
Total income	94.51	85.04	182.00	109.58
Expenses				
Finance costs	1.15	1.10	1.21	0.65
Fees and commission expenses	5.54	5.91	6.60	3.53
Employee benefit expense	48.24	53.51	65.34	38.54
Depreciation and amortisation expense	5.07	5.38	6.34	3.14
Other expenses	6.46	7.28	7.04	5.15
Total expenses	66.46	73.18	86.53	51.01
Profit /(loss) before tax	28.05	11.87	95.47	58.57
Tax expense:				
Current tax	6.18	3.41	24.11	14.88
Deferred tax	-0.03	-0.22	0.84	-0.09
Total tax expense	6.15	3.19	24.95	14.79
Profit /(loss) for the period/year	21.90	8.67	70.52	43.78

BALANCE SHEET
(In Rs. Crore.)

	FY 2022	FY 2023	FY 2024	6 MONTHS SEP FY 2025
ASSETS				
Cash and cash equivalents	21.14	25.61	84.56	66.18
Bank balances other than cash and cash equivalents	56.28	729.23	74.63	111.90
Trade receivables				
Billed	46.24	185.61	20.42	42.28
Unbilled	0.35	1.04	3.20	0.69
Other receivables	0.61	0.23	0.05	5.76
Investments	8.00	6.05	3.99	4.43
Other financial assets	6.52	228.21	6.37	11.01
Current tax assets (net)	7.03	7.29	6.56	1.12
Deferred tax assets (net)	2.67	2.90	2.07	2.16
Property, plant and equipment	13.76	11.03	9.39	7.05
Intangible assets under development	0.00	0.54	0.00	0.08
Other Intangible assets	0.36	0.33	0.48	0.33
Other non-financial assets	3.76	3.11	2.95	4.46
Total assets	166.72	1201.16	214.68	257.45
LIABILITIES AND EQUITY				
Trade payables				
Total outstanding dues of micro and small enterprises	0.00	0.00	0.00	0.00
Total outstanding dues of creditors other than micro & small enterprises	47.00	1070.47	2.65	4.39
Borrowings (Other than Debt Securities)	1.41	3.29	4.93	4.75
Other Financial liabilities	8.54	5.88	2.46	1.51
Current tax liabilities (net)	0.00	0.00	2.09	10.13
Provisions	17.98	21.17	29.43	24.44
Other non-financial liabilities	3.82	5.21	10.51	9.72
EQUITY				
Equity share capital	14.14	14.14	14.14	14.14
Other equity	73.84	80.99	148.47	188.36
Total liabilities and equity	166.72	1201.16	214.68	257.45

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