



**DAM CAPITAL ADVISORS
LIMITED**

IPO NOTE - Investor Education Series

December 2024

ISSUE HIGHLIGHTS

- ❑ DAM Capital, originally incorporated on 7th May, 1993, is one of the leading investment banks in India with a market share of 12.1% based on the number of initial public offerings and qualified institutional placements undertaken by them as the book running lead manager in Fiscal 2024.
- ❑ They provide a wide range of financial solutions in areas of:
 - Merchant Banking comprising equity capital markets (“ECM”), mergers and acquisitions (“M&A”), private equity (“PE”), and structured finance advisory; and
 - Institutional Equities comprising broking and research.
- ❑ DAM Capital is majorly into two areas and its Merchant Banking segment contributed to 67.2% of its total income, which is the highest among the peers, the rest being contributed by stock broking segment (28.3%) and other income (4.5%).
- ❑ From the date of the Acquisition i.e., November 7, 2019 till October 31, 2024, DAM Capital 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”).
- ❑ They have also advised on 23 advisory transactions including M&A advisory, private equity advisory and structured finance advisory and have also executed block trades since the Acquisition till October 31, 2024. The Institutional Equities business, as of October 31, 2024, comprises 29 employees in research and 34 employees in their 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.
- ❑ DAM Capital reported the highest growth in total income at a CAGR of 38.8% between FY22 and FY24. In FY24, DAM Capital had the highest fees and commission income as a percentage of total income of 95.5% among the peers considered. DAM Capital had the highest growth in EBITDA (CAGR 73.4% between FY22 and FY24) and the highest growth in PAT (CAGR of 79.4% between FY22 and FY24). DAM Capital reported a PAT of Rs 70.52 crore registering a year-on-year growth of 712.8% in FY24.
- ❑ DAM Capital recorded the highest profit margin of 38.7% in FY24. DAM Capital reported the highest return on equity of 54.7% in FY24. DAM Capital had the highest revenue per employee in FY24 of Rs 1.64 crore. DAM Capital recorded the highest profit margin of 38.7% in FY24.

BRIEF FINANCIAL DETAILS*

(₹ In Cr)

	As at Sep'30,	As at Mar' 31,		
	2024 (06)	2024 (12)	2023 (12)	2022 (12)
Equity Share Capital	14.14	14.14	14.14	14.14
Reserves#	182.89	142.65	73.54	66.98
Net Worth	197.03	156.79	87.68	81.12
Total Borrowings	4.75	4.93	3.29	1.41
Revenue from Operations	107.75	180.04	84.93	93.37
Revenue Growth (%)	-	111.99%	(9.04)%	-
EBITDA	60.53	101.06	18.23	33.13
EBITDA Margin (%) as stated	56.90%	56.60%	21.60%	36.30%
Net Profit for the period	43.78	70.52	8.67	21.90
Net Profit (%) as stated	39.95%	38.75%	10.20%	23.17%
EPS – Basic & Diluted (₹)	6.19	9.98	1.23	3.10
RONW (%)	22.22%^	44.98%	9.89%	26.99%
NAV (₹)	27.87	22.18	12.40	11.48
ROE (%)	23.98%	54.72%	9.47%	28.53%

Source: RHP, *Restated Consolidated, #Reserve excluding Capital Reserve, Remeasurement of post-employment benefit obligations and Exchange differences on translating the financial statement of a foreign operation; ^ not annualized

Issue Details

Offer for Sale of upto 29,690,900 Equity Shares

Issue size: ₹ 799 - 840 Cr

Face value: ₹ 2/-

Employee Reservation: Upto 70,000 Shares

Price band: ₹ 269 - 283

Bid Lot: 53 Shares and in multiple thereof

Post Issue Implied Market Cap =

₹ 1,901 – 2,000 Cr

BRLMs: Nuvama Wealth Management

Registrar: Link Intime India Pvt Ltd.

Issue opens on: Thursday, 19th Dec' 2024

Issue closes on: Monday, 23rd Dec' 2024

Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	24-12-2024
Refunds/Unblocking ASBA Fund	26-12-2024
Credit of equity shares to DP A/c	26-12-2024
Trading commences	27-12-2024

Issue Break-up

	No. of Shares	₹ In Cr		% of Issue
		@Lower	@upper	
QIB	14,810,449	398.40	419.14	50%
NIB	4,443,135	119.52	125.74	15%
-NIB2	2,962,090	79.68	83.83	-
-NIB1	1,481,045	39.84	41.91	-
RET	10,367,316	278.88	293.40	35%
Emp	70,000	1.88	1.98	-
Total	29,690,900	798.69	840.25	100%

NIB-1= Bid between ₹ 2-10 Lakhs NIB-2 = Bid Abv ₹ 10 Lakhs

Category	Retail Category	NII-Bid between ₹ 2 - 10 Lakhs	NII - Bid Above ₹ 10 Lakhs
Minimum Bid Lot (Shares)	53 Shares	742 Shares	3,551 Shares
Minimum Bid Lot Amount (₹)	₹ 14,999 [^]	₹ 2,09,986 [^]	₹ 10,04,933 [^]
Appl for 1x	1,95,610 Applications	1,996 Applications	3,992 Applications

Listing: BSE & NSE

Shareholding (No. of Shares)

	Pre-Offer and Post-Offer Equity Shares
No. of shares	70,686,000

Shareholding (%)

	Pre-Issue	Post-Issue
Promoters	45.88%	41.50%
Public - Investor Selling S/h	54.12%	16.50%
Public - Others	0.00%	42.00%
Total	100.00%	100.00%

BACKGROUND

Company and Directors

The Company was originally incorporated as “S. S. Kantilal Ishwarlal Sharebrokers and Investors Private Limited” on May 7, 1993. Dharmesh Anil Mehta, Sonali Dharmesh Mehta and Boombucket Advisors Pvt Ltd are the Promoters of the company. Currently, the Promoter holds 32,433,300 Equity Shares of the company comprising 45.88% of the pre-Offer issued, subscribed and paid-up Equity Share capital of the company.

The company commenced their operations in the securities market in 1993 as S.S. Kantilal Ishwarlal Sharebrokers and Investors Pvt Ltd. In 1994, they rebranded and operated under the name S.S. Kantilal Ishwarlal Securities Pvt Ltd (“**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, their name was changed to DAM Capital Advisors Ltd.

Brief Biographies of Directors and Key Managerial Personnel

MV Nair is the Chairperson and an Independent Director on the Board. He has been associated with the company since August 19, 2024. He is also a non-executive Chairperson on the board of directors of BQ Digital Learning Pvt Ltd. He is also a non-executive Director on the board of Propellid (Bluebear Technology Pvt Ltd). He is also an advisor to WestBridge Advisors LLP and an advisor to Mountain Managers Pvt Ltd and GrowX Venture Fund LLP and a senior advisor to New Street Technologies Pvt Ltd and Progcap (Desiderata Impact Ventures Pvt Ltd). He is also a board advisor to Credgenics (Analog Legalhub Technology Solutions Pvt Ltd) and is engaged as a consultant by Trans Union LLC, USA and Perfios Software Solutions Pvt Ltd.

Natarajan Srinivasan is an Independent Director of the company. He has been associated with the company since August 19, 2024. He has previously been associated as a director on the board of directors of Cholamandalam Financial Holdings Ltd, Cholamandalam Investment and Finance Co Ltd, CG Power and Industrial Solutions Ltd, Tamil Nadu Water Investment Co Ltd, New Tirupur Area Development Corporation Ltd, Cholamandalam MS General Insurance Co Ltd and Cholamandalam MS Risk Services Ltd. Currently, he is on the board of Godrej Agrovet Ltd and Computer Age Management Services Ltd.

Rajendra Prabhakar Chitale is an Independent Director of the company. He has been associated with the company since December 15, 2020. He has also served as a director on NSE Clearing Ltd, Clearing Corporation of India Ltd, Small Industries Development Bank of India and National Stock Exchange of India Ltd. He has served as a member of the Insurance Advisory Committee of the IRDAI, the Financial Sector Legislative Reforms Commission, GoI (the **FSLRC**) and the Investor Education and Protection Fund Committee established by the GoI. He is the Managing partner of M.P Chitale & Co and Chitale & Co.

Balram Singh Yadav is an Independent Director of the company. He has been associated with the company since August 19, 2024. He is the managing director of Godrej Agrovet Ltd and Godrej Tyson Foods Ltd.

Nithya Easwaran is a Non-Executive Director of the company. She has been associated with the company since June 10, 2020. She is a director of Multiples Alternate Asset Management Pvt Ltd and has been previously associated with Citibank N.A.

Dharmesh Anil Mehta is a capital market veteran with over 25 years of work experience. He is the Managing Director and Chief Executive Officer and one of the Promoters of the company. He has extensive experience in leading transactions across capital market products, sectors and geographies. He established the institutional equities business at ENAM Securities Pvt Ltd, one of the leading capital market firms in India in terms of IPOs and QIPs between 2001 and 2007. Post the acquisition of ENAM Securities by Axis Bank Ltd, in the year 2015 he undertook the role as the managing director and chief executive officer of Axis Capital Ltd. After exiting Axis Capital in December 2018, Dharmesh Anil Mehta along with other investors acquired the company (*formerly IDFC Securities Ltd*).

Jateen Madhukar Doshi is an Executive Director of the company. He has been associated with the company since November 4, 2019. He is responsible for overseeing institutional equities division comprising of broking and research functions of the company. Prior to joining the company, he was associated with Axis Capital Ltd. He was also associated with Ketan S Shah, stock brokers prior to joining ENAM Securities Pvt Ltd.

Hitesh Mahendrakumar Desai is the Chief Financial Officer of the company. He has been associated with the company since August 1, 1994. He is responsible for finance and operations of the company.

Rajesh Tekadiwala is the Company Secretary and Compliance Officer of the company. He has been associated with the company since September 5, 2019. He was previously associated with Standard Chartered Securities India Ltd.

OFFER DETAILS

The Offer for Sale by promoter Selling Shareholder	No. of Shares	WACA per Equity Share (₹)
Dharmesh Anil Mehta	Upto 3,098,850 Equity Shares [^]	5.39
The Offer for Sale by Investor Selling Shareholders		
Multiples Alternate Asset Management Pvt Ltd	Upto 8,714,400 Equity Shares [^]	14.64
Narotam Satyanarayan Sekhsaria	Upto 7,042,400 Equity Shares [^]	14.64
RBL Bank Ltd	Upto 5,771,000 Equity Shares [^]	14.64
Easyaccess Financial Services Ltd	Upto 5,064,250 Equity Shares [^]	14.64

([^]at upper price band); WACA=Weighted Average Cost of Acquisition

SHAREHOLDING PATTERN

Shareholders	Pre-offer#		Offer for Sale Shares and Fresh Issue	Post-offer	
	Number of Equity Shares*	% of Total Equity Share Capital		Number of Equity Shares	% of Total Equity Share Capital
Promoter	32,433,300	45.88%	3,098,850	29,334,450	41.50%
Total for Promoter	32,433,300	45.88%	3,098,850	29,334,450	41.50%
Public - Investors Selling Shareholders	38,252,700	54.12%	26,592,050	11,660,650	16.50%
Public – Others	0	0.00%		29,690,900	42.00%
Total for Public Shareholders	38,252,700	54.12%	26,592,050	41,351,550	58.50%
Total Equity Share Capital	70,686,000	100.00%	29,690,900	70,686,000	100.00%

Source: RHP

BUSINESS OVERVIEW

DAM Capital is the fastest growing investment bank in India by revenue CAGR from Fiscals 2022 to 2024 with the highest profit margin in Fiscal 2024, among the peers considered. They are one of the leading investment banks in India with a market share of 12.1% based on the number of initial public offerings and qualified institutional placements undertaken by them as the book running lead manager in Fiscal 2024.

They provide a wide range of financial solutions in areas of:

- Merchant Banking comprising equity capital markets (“ECM”), mergers and acquisitions (“M&A”), private equity (“PE”), and structured finance advisory; and
- Institutional Equities comprising broking and research.

They focus on the Indian capital markets, one of the most dynamic and high growth organised markets in the world. They leverage their deep domain knowledge across sectors and products combined with vast experience of their team to provide strategic advisory and capital markets solutions to their 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, DAM Capital 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”).

They have also advised on 23 advisory transactions including M&A advisory, private equity advisory and structured finance advisory and have also executed block trades since the Acquisition till October 31, 2024. The institutional equities business, as of October 31, 2024, comprises 29 employees in research and 34 employees in their 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.

Under the leadership of Dharmesh Anil Mehta, a veteran investment banker with over 25 years of work experience, DAM Capital has achieved rapid growth with the total income being ₹182 crore, ₹85.04 crore and ₹94.51 crore for Fiscals 2024, 2023 and 2022, respectively, representing 38.77% CAGR over the same period.

The total income for the 6 months ended September 30, 2024 was ₹109.58 crore. The profit after tax was ₹70.52 crore, ₹8.67 crore and ₹21.90 crore for Fiscals 2024, 2023 and 2022, respectively, representing a 79.46% CAGR over the same period. The profit after tax for the 6 months ended September 30, 2024 was ₹43.78 crore. The company has declared a dividend of ₹3.53 crore, ₹1.41 crore and ₹2.12 crore to their shareholders during the 6 months ended September 30, 2024 and Fiscals 2024, 2023 and 2022, respectively

The company has achieved this growth by capitalizing on strong relationships with their clients and their execution capabilities, successfully completing various landmark transactions, while navigating through market volatility.

DAM Capital is strategically positioned to capitalize on India's growth story. By leveraging their deep industry expertise, robust research capabilities, and large investor distribution network in their institutional equities business, they provide tailored solutions to their clients.

As on October 31, 2024, they had a team of 121 employees across businesses comprising seasoned personnel with experience in executing transactions across product lines and sectors. Their senior team is extensively involved in building client relationships and structuring and executing the clients' transactions. Their team has an average of over 15.7 years of work experience with 54 of 121 employees having over 18 years of work experience.

DAM Capital is backed by marquee investors with varied backgrounds and a diverse board of directors. Their board of directors comprises industry leaders, financial experts and thought leaders from different sectors. Their combined expertise contributes to their strategic decision-making, fosters innovation and ensures strengthened governance.

Company's wholly owned Subsidiary, DAM Capital (USA) Inc. ("**DAM USA**") is incorporated in New York, USA on August 3, 2009 as a broker-dealer with the Financial Industry Regulatory Authority ("**FINRA**") and the Securities Investor Protection Corporation ("**SIPC**") and is also regulated by the Securities and Exchange Commission ("**SEC**"). DAM USA is also registered with SEC. It obtained the registration on September 15, 2011. Through their Chaperoning Arrangement with DAM USA, the company is able to broaden their access to serve clients in the USA and offer Rule 144A issuances of Indian companies to institutional investors in the USA.

COMPANY'S PRODUCT PORTFOLIO

Company's business operations include 2 principal business lines: (i) Merchant Banking; (ii) Institutional Equities.

- **Merchant banking**

Company's Merchant Banking division provides comprehensive financial services to help clients achieve their strategic goals. They specialize in ECM, M&A and PE advisory, and structured finance advisory.

- **Equity Capital Markets**

Their merchant banking business offers ECM services to corporate and financial sponsors and assists clients in their domestic and overseas fund raising. They are one of the leading investment banks in India, with a market share of 12.1% based on the number of IPOs and QIPs undertaken by them as the BRLM in Fiscal 2024. Their Merchant Banking services in ECM include management of IPOs, QIPs, REIT, OFS, rights issues and preferential issues. They also assist in buybacks, de-listings, open offers and schemes of arrangements which are aimed to optimize shareholder value for their clients. They charge commissions and other fees for their ECM transactions at rates that are based on transaction size and/or market conditions.

- **M&A and PE Advisory**

The company provides their clients with financial advisory services in relation to domestic and cross-border mergers and acquisitions, and restructuring. They have been amongst the most active investment banks across business cycles with experience in executing complex M&A transactions. Some of their marquee transactions include advisory on the acquisition of Glenmark Life Sciences Ltd by the Nirma group and advisory to Sterling and Wilson Solar Ltd on the acquisition of its 40% stake by Reliance New Energy Solar Ltd, a wholly owned subsidiary of Reliance Industries Ltd, through a combination of primary investment, secondary purchase and open offer, aggregating to ₹2,845 Crore. Their financial advisory team also works closely with financial sponsors and global private equity funds in India to facilitate and advise on private equity investments and exits.

- **Structured Finance Advisory**

The company advise and assist clients in raising capital through leveraged products, customized to the needs of sponsors and /or companies. They have an in-depth understanding of capital providers and have strong relationships with key players such as non-banking financial companies ("**NBFCs**"), alternative investment funds ("**AIFs**"), credit funds, domestic and multi-national banks, funds and large family offices. This is a purely intermediary role, and they do not take any balance sheet exposure.

- **Institutional Equities**

Company's institutional equities platform is characterized by its comprehensive research and an experienced sales and trading team, providing a range of services designed to meet the needs of a diverse clientele which includes foreign

institutional investors, mutual funds, insurance companies, private equity and venture capital funds, corporate and bank treasuries, sovereign funds, multi-strategy funds, and family offices. They earn brokerage fees based on the size and number of transactions.

Research

As of July 31, 2024, DAM Capital's research team comprises 27 employees covering 20 sectors and 161 companies. This includes 11 lead analysts with an average work experience of 13.6 years. Each lead analyst has research associates to assist them, and the lead analysts release regular reports on their sectors as well as the specific stocks in the sectors they cover. This typically includes a report after every quarterly earnings announced by a company and/or after any major corporate action by a company. They also host earnings calls for the listed companies to discuss the quarter gone by and communicate the company's strategy to their investors. The research reports on specific companies typically have a rating classification of buy, sell or neutral, depending on their analysis and estimates of the companies' prospects. For the companies they meet outside their coverage, they release unrated reports based on their interactions with such companies.

The number of equity offerings and corresponding amounts raised in transactions where DAM Capital acted as a BRLM:

	From April 1, 2024 to Oct'31, 2024		As of March 31,					
	No. of Transactions	Amount (₹ Cr)	2024		2023		2022	
			No. of Transactions	Amount (₹ Cr)	No. of Transactions	Amount (₹ Cr)	No. of Transactions	Amount (₹ Cr)
IPOs	3	6,915.10	9	8,706.68	4	3,273.55	8	13,667.87
QIPS	3	3,877.73	8	10,059.36	1	475.00	-	-
OFS	1	2,010.94	1	2,115.86	2	299.78	-	-
Right Issue	1	199.29	-	-	1	343.56	1	400.00
Buyback	1	278.43	2	285.00	4	578.55	1	200.00
Open offer	-	-	1	1,343.05	1	38.56	2	62.08
Preferential issue	-	-	1	200.00	1	57.00	1	298.00

Details of 67 equity transaction from the Acquisition till July 31, 2024:

Name of the company	Issue Size (₹ Cr)
Initial public offerings (IPOs)	
Mazagon Dock Shipbuilders Ltd	444
Indian Railway Finance Corp. Ltd*	4,633
Laxmi Organic Industries Ltd	600
Glenmark Life Sciences Ltd	1,514
Krsnaa Diagnostics Ltd	1,213
Windlas Biotech Ltd	402
Go Fashion (India) Ltd	1,014
Star Health and Allied Insurance Co Ltd	6,019
C.E. Info Systems Ltd	1,040
Metro Brands Ltd	1,368
CMS Info Systems Ltd	1,100
Syrma SGS Technology Ltd*	840
Kaynes Technology India Ltd*	858
Inox Green Energy Services Ltd	740
Uniparts India Ltd	836
Avalon Technologies Ltd	865
Rishabh Instruments Ltd*	491
Yatra Online Ltd	775
JSW Infrastructure Ltd	2,800
ESAF Small Finance Bank Ltd	463
Credo Brands Marketing Ltd*	550
Epack Durable Ltd	640
Capital Small Finance Bank Ltd	523
Entero Healthcare Solutions Ltd	1,600
Le Travenues Technology Ltd	740
Bansal Wire Industries Ltd	745
Afcons Infrastructure	5,430
Rights issue	
Reliance Industries Ltd	53,124
Kesoram Industries Ltd^	400
Aurum Proptech Ltd^	344

Name of the company	Issue Size (₹ Cr)
Real estate investment trust (REIT)	
Mindspace Business Parks REIT	4,500
Qualified institutions placement (QIP)	
RBL Bank Ltd	2,025
Avenue Supermarts Ltd	4,098
JM Financial Ltd*	770
Indiabulls Housing Finance Ltd	683
Ujjivan Small Finance Bank Ltd	475
Laxmi Organic Industries Ltd*	259
Bank of India	4,500
Sterling and Wilson Renewable Energy Ltd	1,500
Kaynes Technology India Ltd*	1,400
Anant Raj Ltd^	500
DCX Systems Ltd^	500
Valor Estate Ltd (D B Realty Ltd)*	920
Wockhardt Ltd^	480
Aurionpro Solutions Ltd^	378
Shilpa Medicare Ltd^	500
Spice Jet Ltd*	3,000
Offer for sale (OFS)	
Avenue Supermarts Ltd	3,428
Steel Authority of India Ltd	2,720
Sterling and Wilson Renewable Energy Ltd	97
Sterling and Wilson Renewable Energy Ltd	203
NLC India Ltd	2,116
Cochin Shipyard Ltd	2010.94
Preferential issues	
RBL Bank Ltd	676
RBL Bank Ltd	1,566

Name of the company	Issue Size (₹ Cr)
Geojit Financial Services Ltd [^]	199
Buyback	
Welspun India Ltd	200
CARE Ratings Ltd	122
Jenburkt Pharmaceuticals Ltd	12
Welspun Enterprises Ltd	235
Natco Pharma Ltd	210
Welspun India Ltd	195
SIS Ltd	90
Welspun Living Ltd [^]	278

* Left lead book running lead manager; ^ Sole book running lead manager / lead manager

Name of the company	Issue Size (₹ Cr)
Shilpa Medicare Ltd	298
UFO Moviez India Ltd	97
Singer India Ltd	57
Aurionpro Solutions Ltd	200
Open offer	
Majesco Ltd	57
HG Industries Ltd	48
Lotus Chocolate Co. Ltd	386
Glenmark Life Sciences Ltd	1343

Some of the notable M&A and PE transactions from the Acquisition till July 31, 2024:

Period	Transaction description
January 2022; February 2022	Financial advisor to Shapoorji Pallonji and Company Pvt Ltd on the sale of 40% stake in Sterling and Wilson Renewable Energy Ltd to Reliance New Energy Solar Ltd, a wholly owned subsidiary of Reliance Industries, through a combination of primary investment, secondary purchase and open offer, aggregating to ₹2,845 Cr
February 2024	Advisor to Nirma Limited on the acquisition of 75% stake in Glenmark Life Sciences by the Nirma group
April 2022	Co-advisor for fund raise of USD 20 crore secured by Sun King (Greenlight Planet Inc) from a global private equity fund
July 2022	Advisor to Forbes & Co Ltd on sale of its entire shareholding in Forbes Facility Services Pvt Ltd to SILA Solutions Pvt Ltd

REVENUE FROM OPERATIONS

(₹ in crore)

	For the half year ended Sept' 30,	For the year ended March 31, 2024		
	2024	2024	2023	2022
Interest income	5.26	6.21	3.45	1.64
Dividend Income	-	-	0.00	0.01
Fees and Commission income	102.50	173.84	81.44	91.35
- Brokerage	42.25	49.47	29.15	30.24
- Advisory Fee Income	60.25	124.36	52.29	61.11
Net gain on fair value changes	-	-	0.04	0.37
Total	107.75	180.04	84.93	93.37

Segment operating revenue	For the half year ended Sept' 30,	For the year ended March 31, 2024		
	2024	2024	2023	2022
Stock Broking	43.25	51.46	30.40	30.86
Investment Banking	59.24	122.37	51.03	60.49
Unallocated	5.26	6.21	3.49	2.02
Total	107.75	180.04	84.93	93.37

DIVIDEND POLICY

Particulars	From April 1, 2024 to the date of RHP	6 months ended Sept'30, 2024	Fiscal		
			2024	2023	2022
Number of Equity shares	70,686,000	70,686,000	14,137,200	14,137,200	14,137,200
Face value per equity share	2	2	10	10	10
Amount of Dividend (₹ in Cr)	Nil	Nil	3.53	1.41	2.12
Dividend per share (in ₹)	Nil	Nil	2.50	1.00	1.50
Rate of dividend (%)	Nil	Nil	25%	10%	15%
Tax deducted on behalf of Shareholder (₹ in Cr)	Na	Na	0.35	0.14	0.21

COMPETITIVE STRENGTHS

- Fastest-growing investment bank in India**

DAM Capital is 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. They are one of the leading investment banks in India with a market share of 12.1% based on the number of IPOs and QIPs undertaken by them as the book running lead manager in Fiscal 2024. In the 6 months ended September 30, 2024, and Fiscal 2024, they were book running lead managers to 5 and 17 IPOs and

QIPs, respectively. Since the Acquisition, they have consistently improved their market share from 8.2% in Fiscal 2021 to 12.1% in Fiscal 2024 in terms of the number of IPOs and QIPs undertaken as book running lead manager.

- ***Proven execution with in-depth understanding of sectors and products***

The company understands and expertise across sectors and products enable them to identify niche sub-sectors and product opportunities early. They have consummated transactions across sectors including pharmaceuticals, infrastructure, manufacturing, retail, technology, financial services and healthcare. They have executed 5 QIPs as a sole lead manager, demonstrating their ability to lead transaction. They have executed 5 QIPs as a sole lead manager, demonstrating the ability to lead transactions. Further, depending on market conditions, they also focus on specialized products such as buybacks, delisting and open offers, enabling them to adapt with the evolving needs of the corporates, promoters or investors.

- ***Institutional equities platform with comprehensive research and execution capabilities***

The key aspects of the institutional equities platform are as follows:

- ***Research:*** The research coverage includes fundamental research, macro-economic research and differentiated products such as thematic research, weekly insights and research as per client's requirements.
- ***Sales:*** The sales team has targeted and customised marketing of research products and also helps clients with corporate and lateral access, as well as data analysis. sales team covers geographies including India, USA, UK, Europe, Hong Kong, Singapore, Australia, Taiwan, South Korea, Middle East and South Africa.
- ***Sales trading:*** Company's sales trading team has execution abilities across cash segment including blocks and derivatives segment.
- ***Extensive coverage of corporates, financial sponsors and institutional investors, with repeat business***

The company has developed and maintain long-term relationships with their clients and are dedicated to providing them with a comprehensive range of products and services. They have long-standing relationships with institutional investors, financial sponsors, corporates and family offices as a result of their experienced team and consistent coverage of clients, many of whom have provided them with repeat business. They aim to foster repeat business by establishing long-term relationships with their clients by becoming strategic partners as opposed to being solely transaction focused.

Their strategic financial sponsor relationships are expected to continue growth, as multiple companies which were PE funded took an IPO route in past few years. Some of these companies which were PE funded and got listed are Dodla Dairy, Mrs Bector Food Specialities, Five-star Business Finance, Rishabh Instruments, Le Travenues Technology (ixigo), Entero Healthcare Solutions, Honasa Consumer (Mamaearth), etc.

- ***Experienced management and professionals, backed by a majority independent board***

The company endeavours to attract, cultivate, nurture and retain talent to build and strengthen their core competitive strengths. The quality of the management team has been a key distinguishing factor and the driving force behind their success and growth. They have an experienced executive team comprising senior industry leaders with deep domain expertise. Their management team is led by their Promoter, Dharmesh Anil Mehta, with over 25 years of work experience. As of October 31, 2024, they have 121 employees who are responsible for executing their business strategy, managing their service areas, diversifying their product and sector mix, and expanding their client relationships. Of these, 45% have over 18 years of experience

- ***Strong track record of revenue growth and profitability***

Company's total income and profit for the year increased from ₹94.51 crore and ₹21.90 crore, respectively, in Fiscal 2022 to ₹182 crore and ₹70.52 crore in Fiscal 2024 respectively, representing a CAGR of 38.77% and 79.46%, respectively. The total income and profit for the 6 months period ended September 30, 2024, was ₹109.58 crore and ₹43.78 crore, respectively. They are 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.

KEY BUSINESS STRATEGIES

- ***Strengthen the competitive position in existing lines of business***

Company's competitive position is a consequence of their focused effort to increase the number of transactions and target high value transactions. To achieve this, they intend to broaden their coverage through a focused, relationship-driven approach that deepens their connections with key industry players and financial sponsors. They plan to expand the breadth

of their industry expertise by continuously enhancing their knowledge across various sectors. For the institutional equities business, they will continue to focus on advising their clients by showcasing attractive investment opportunities in emerging themes.

- **Enhance the Merchant Banking platform**

The company intends to continue to build new relationships and strengthen existing relationships with their corporate and institutional clients by focused coverage activities. They intend to strengthen their rankings and position in the ECM business by adding new clients. They will also focus on companies operating in new economy sectors such as technology, artificial intelligence, clean energy, data centres and semiconductors by leveraging their domain knowledge and execution capabilities.

- **Further strengthen the institutional equities platform**

As part of the institutional equities business, DAM Capital provides domestic and foreign institutional investors with research and broking services. As part of their broking services, they provide sales, sales trading and corporate access. They are committed to enhancing this offering through key strategies such as Research, Sales, Sales trading.

- **Build other complementary fee-based businesses**

As a part of the growth strategy, the company intends to venture into complementary fee-based businesses to help them improve risk-adjusted returns. They intend to venture into the retail broking and asset management business. With their existing customer base, they anticipate an efficient monetization of these new ventures by leveraging synergies, given the established relationships and trust with their clientele. In furtherance of their strategy, they have incorporated a wholly owned subsidiary which will undertake their asset management business.

- **Explore potential strategic tie-up with a global investment bank for cross-border transactions**

To enhance the cross-border transaction capabilities and expand the global reach, the company intends to tie-up with a partner bank which has global network, deep market insights, and specialized products in regions and sectors where they seek to expand.

- **Strengthen the talent pool by adding highly qualified and motivated professionals**

Company's goal is to attract, retain, nurture and develop the best and brightest talent in the industry across all levels. They strive to foster a collaborative working environment and seek individuals who are passionate about their business and fit their culture.

PEER BENCHMARKING

Segment wise Revenue Split for peers (FY2024)

Players	Segment wise Revenue split		Players	Segment wise Revenue split	
	Segment Categories	Revenue Split (%)		Segment Categories	Revenue Split (%)
DAM Capital	Investment Banking	67.2%	JM Financials	Integrated investment bank	39.4%
	Stock broking	28.3%		Mortgage Lending	30.5%
	Others	4.5%		Alternative and Distressed Credit	6.5%
ICICI Securities	Retail and Equities	43.7%		Asset Management, Wealth Management and Securities Business, (Platform AWS)	19.5%
	Private wealth management	23.2%		Others	4.1%
	Distribution Revenue	10.6%		Motilal Oswal	Capital Market
	Issuer services and advisory	4.8%	Asset and Wealth management		26.6%
	Institutional equities	5.4%	Home Finance		7.5%
Other	12.2%	Treasury Investment	18.5%		
IIFL Securities	Retail Broking	29.0%	Unallocated	0.0%	
	Financial Product distribution	17.0%			
	Institutional broking	17.0%			
	Investment Banking	10.0%			
	Others	27.0%			

Company	Total Income (₹ Crore)					Fees and Commission Revenue as % of Total Income			
	CAGR (FY22-24)	H1FY25	FY24	FY23	FY22	H1FY25	FY24	FY23	FY22
DAM Capital	38.8%	109.6	182.0	85.0	94.5	93.5%	95.5%	95.9%	96.7%
ICICI Securities	21.2%	3,351.2	5,051.1	3,425.5	3,438.5	62.0%	64.7%	67.8%	77.2%
IIFL Securities	30.2%	1,347.5	2,231.3	1,370.4	1,316.4	78.7%	81.3%	82.6%	78.8%
JM Financials	13.3%	2,305.1	4,832.2	3,343.1	3,766.3	20.5%	22.7%	19.7%	21.7%
Motilal Oswal	28.5%	5,163.7	7,130.5	4,197.1	4,316.4	46.0%	50.8%	65.1%	60.4%

Company	EBITDA (₹ Crore) and EBITDA Margin (%)					Profit after Tax (₹ Crore) and PAT Margin (%)				
	CAGR (FY22-24)	H1FY25	FY24	FY23	FY22	CAGR (FY22-24)	H1FY25	FY24	FY23	FY22
DAM Capital	73.4%	62.36	103.02	18.34	34.27	79.4%	43.78	70.52	8.68	21.90
		56.9%	56.6%	21.6%	36.3%		40.0%	38.7%	10.2%	23.2%
ICICI Securities	24.1%	2,306.51	3,373.39	2,112.48	2,188.97	10.8%	1,055.95	1,696.69	1,117.63	1,382.6
		68.8%	66.8%	61.7%	63.7%		31.5%	33.6%	32.6%	40.2%
IIFL Securities	29.0%	628.10	944.41	483.26	567.09	29.6%	387.62	513.35	249.81	305.83
		46.6%	42.3%	35.3%	43.1%		28.8%	23.0%	18.2%	23.2%
JM Financials	(10.7)%	1,143.28	1,967.92	2,172.99	2,467.55	(83.3)%	329.57	27.52	708.76	992.37
		49.6%	40.7%	65.0%	65.6%		14.3%	0.6%	21.1%	26.4%
Motilal Oswal	38.9%	3,217.61	4,128.60	1,896.46	2,138.84	36.6%	2,005.37	2,445.62	932.82	1,310.73
		62.3%	57.9%	45.2%	49.6%		38.8%	34.3%	22.2%	30.4%

Company	Return on Equity				No. of Employees		
	H1FY25	FY24	FY23	FY22	FY24	FY23	FY22
DAM Capital	24.0%	54.7%	9.5%	28.5%	111	100	92
ICICI Securities	25.2%	50.1%	42.3%	65.0%	5,413	4,494	4,094
IIFL Securities	21.7%	32.7%	19.7%	28.5%	1,486	1,579	2,254
JM Financials	3.0%	0.2%	6.5%	9.8%	4,000	2,405	3,259
Motilal Oswal	20.2%	32.5%	15.6%	25.7%	11,290	7,303	6,951

Market Transactions (IPO, QIP, OFS, InVIT/ REITs, Rights Issue, Buyback, Open Offer)

Company	No. of Issues					Total Issue Amount (₹ Billion)				
	Total	H1FY25	FY24	FY23	FY22	Total	H1FY25	FY24	FY23	FY22
DAM Capital	46	6	21	13	12	418	56	225	50	143
ICICI Securities	122	20	56	19	47	2,828	436	763	719	1,346
IIFL Securities	80	16	37	18	25	1,138	346	564	128	446
JM Financials	100	24	47	19	34	2,451	554	1,150	408	892
Motilal Oswal	33	14	14	8	11	242	155	118	21	103
Total	381	80	175	77	129	7,078	1,547	2,821	1,327	2,930

COMPARISON WITH LISTED INDUSTRY PEERS (AS ON 31ST MARCH 2024)

Name of the Company	Face Value	Total Income (₹ Cr)	Closing price on December 6, 2024 (in ₹)	Market Cap (₹ Cr)	EPS (₹)		EPS (₹)		RoNW	NAV (₹)
					Basic	Diluted	(Based on Basic EPS)	(Based on Diluted EPS)		
DAM Capital Advisors Ltd	2	182.00	NA	NA	9.98	9.98	[●]	[●]	44.98%	22.18
ICICI Securities Ltd	5	5,051.10	890.65	28,951.05	52.51	52.22	16.96	17.06	43.25%	121.31
IIFL Securities Ltd	2	2,231.29	344.00	10,652.36	16.73	16.40	20.56	20.98	28.71%	58.09
JM Financial Ltd	1	4,832.16	140.09	13,389.32	4.29	4.29	32.66	32.66	0.25%	115.70
Motilal Oswal Financial Services	1	7,130.52	970.30	58,074.18	41.16	40.73	23.57	23.82	27.89%	147.12

Source: RHP;

COMPARISON WITH LISTED INDUSTRY PEERS

(in ₹ Cr, unless otherwise indicated)

Particulars	DAM Capital			ICICI Securities			IIFL Securities			Motilal Oswal			JM Financial		
	FY2024	FY2023	FY2022	FY2024	FY2023	FY2022	FY2024	FY2023	FY2022	FY2024	FY2023	FY2022	FY2024	FY2023	FY2022
Financial performance indicators															
Total Income	182.0	85.04	94.5	5051.1	3425.5	3438.8	2231.3	1370.4	1316.4	7130.5	4197.1	4316.4	4832.2	3343.1	3763.3
Merchant Banking Revenue as a % of Total Income	67.24	60.01	64.01	4.82	3.27	7.23	10.06	9.39	11.43	Na	Na	Na	Na	Na	Na
Broking Revenue as a % of Total Income	28.27	35.75	32.65	59.77	63.92	70.15	62.84	64.73	60.54	Na	Na	Na	Na	Na	Na
Revenue per Employee	1.64	0.85	1.03	0.93	0.76	0.84	1.50	0.87	0.58	0.63	0.58	0.62	1.21	1.39	1.16
Employee cost as % of Total Income	35.90	62.92	51.04	17.31	20.37	19.32	20.48	26.13	24.62	18.65	24.03	20.35	16.46	18.62	14.56
Profit After Tax	70.5	8.7	21.9	1696.7	1117.6	1382.6	513.4	249.8	305.8	2445.6	932.8	1310.7	27.5	708.8	992.4
PAT Margin	38.75	10.20	23.17	33.59	32.63	40.21	23.01	18.23	23.23	34.30	22.23	30.37	0.57	21.20	26.37
Return on Equity	54.72	9.47	28.53	50.09	42.31	65.02	13.72	19.74	28.46	32.50	15.57	25.71	0.25	6.47	9.78
Operating performance indicators															
Total Number of Employees	111	100	92	5,413	4,494	4,094	1,486	1,579	2,254	11,290	7,303	6,951	4,000	2,405	3,259
Capital Market Issuances	21	13	12	56	19	47	37	18	25	14	8	11	47	19	34
Number of Stocks Covered by Research	168	153	128	Na	Na	Na	273+	262+	263+	250+	250+	250+	295	256	226
Number of Sectors Covered by Research	19	20	19	30+	30+	30+	20+	21+	21+	20+	20+	20+	Na	Na	Na

Restated Statement of Cash Flows

	As at 6 months period ended Sep'30,		As at March 31,		
	2024	2023	2024	2023	2022
Profit before tax	58.57	95.47	11.87	28.05	
Adjustments Related to Non-Cash & Non-Operating Items	(3.15)	(3.78)	4.05	3.33	
Operating Profits before Working Capital Changes	55.42	91.69	15.92	31.38	
Adjustments for Changes in Working Capital	(34.48)	(665.50)	667.14	11.05	
Net cash generated from operations before tax	20.94	(573.81)	683.06	42.40	
Income tax paid (net)	(1.27)	(21.21)	(3.66)	(4.97)	
Net cash generated from operating activities (a)	19.67	(595.02)	679.40	37.43	
Net cash used in investing activities (b)	(32.14)	658.22	(670.78)	(28.40)	
Net cash used in financing activities (c)	(5.91)	(4.25)	(4.15)	(3.06)	
Net (decrease) / increase in cash and cash equivalents during the period	(18.38)	58.95	4.47	5.97	
Add: Cash and cash equivalents as at the beginning of the period	84.56	25.61	21.14	15.17	
Cash and cash equivalents as at the end of the period	66.18	84.56	25.61	21.14	

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