



Issue Opens – December 19, 2024 to December 23, 2024

Price Band
₹269 to ₹283

Face Value
₹2 per share

Issue Size
₹840.25 Cr

Lot Size
53 Shares

Issue Type
Book Built

Issue Size

2,96,90,900 shares / ₹840.25 Cr

Fresh Issue

N/A

Offer for Sale

2,96,90,900 shares / ₹840.25 Cr

Basis of Allotment

Tuesday, December 24, 2024

Initiation of Refunds

Thursday, December 26, 2024

Credit of Shares to Demat

Thursday, December 26, 2024

DAM Capital Advisors Listing Day

Friday, December 27, 2024

research@ganeshstock.com

Objects of The Offer



The company will not receive any portion of the proceeds from the Offer for Sale. The Proceeds will directly go to the selling shareholders of the company.

Brief profile of the Directors

Dharmesh Anil Mehta has over 25 years of experience in capital markets and is the Managing Director, CEO, and one of the Promoters of the Company. He has led transactions across various capital market products, sectors, and geographies. Dharmesh holds a B.Com degree from H.R. College of Commerce and Economics, University of Mumbai, and was awarded "The General Leadership Award" in January 1991. He served as the Managing Director of Equities at ENAM Securities from 2007, and after ENAM's acquisition by Axis Bank in 2015, he became the Managing Director and CEO of Axis Capital. In December 2018, he exited Axis Capital and, along with other investors, acquired the Company (formerly IDFC Securities Limited).

MV Nair has been an Independent Director and the Chairperson of the Company's Board since August 19, 2024. With over 20 years of directorial experience across multiple companies, he holds a Bachelor's degree in Science from the University of Mysore. He is the non-executive Chairperson of BQ Digital Learning Private Limited and a non-executive Director at Propelld (Bluebear Technology Private Limited).

Natarajan Srinivasan joined the Company as an Independent Director on August 19, 2024. With over 19 years of experience, he is a Chartered Accountant. Currently, he is on the boards of Godrej Agrovet Limited and Computer Age Management Services Limited (CAMS).

Balram Singh Yadav became an Independent Director of the Company on August 19, 2024. With over 22 years of experience, he holds a Bachelor's degree in Science and a postgraduate diploma in Management from IIM Ahmedabad, along with an agribusiness seminar from Harvard Business School. Starting his career with the Godrej group in 1990, he has held various roles and is currently the Managing Director of Godrej Agrovet Limited and Godrej Tyson Foods Limited.



About The Company

DAM Capital Advisors, began operations in 1993 as S.S.K. Ishwarlal Sharebrokers and Investors Pvt Ltd, later IDFC acquired SSKIPL in 2008 but divested its stake in 2019, with Dharmesh Anil Mehta and other investors taking ownership. In July 2020, the Company was renamed DAM Capital Advisors Limited.

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 (Source: CRISIL Report). They are one of the leading merchant 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

Key Business Operations

DAM Capital Advisors Limited provides a wide range of financial solutions in the areas of :

- (i) merchant banking comprising equity capital markets ("ECM"), mergers and acquisitions ("M&A"), private equity ("PE"), and structured finance advisory;
- (ii) institutional equities comprising broking and research.

Company focuses 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, we have 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"). We have also advised on 23 advisory transactions including M&A advisory, private equity advisory and structured finance advisory.

Key Performance Indicators (KPIs)



Particulars ⁽¹⁾	Six months ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Financial performance indicators				
Total Income ⁽²⁾	1,095.82	1,820.00	850.41	945.08
Merchant Banking Revenue as a % of Total Income ⁽³⁾	54.06%	67.24%	60.01%	64.01%
Broking Revenue as a % of Total Income ⁽³⁾	39.47%	28.27%	35.75%	32.65%
Revenue per Employee ⁽⁴⁾	9.13*	16.40	8.50	10.27
Employee cost as % of Total Income ⁽⁵⁾	35.17%	35.90%	62.92%	51.04%
Profit After Tax	437.80	705.23	86.74	218.98
PAT Margin ⁽⁶⁾	39.95%	38.75%	10.20%	23.17%
Return on Equity ⁽⁷⁾	23.98%*	54.72%	9.47%	28.53%
Operating performance indicators				
Total Number of Employees	120	111	100	92
Capital Market Issuances	6	21	13	12
Number of Stocks Covered by Research	162	168	153	128
Number of Sectors Covered by Research	20	19	20	19

Equity Offerings managed by DAM Advisors

Particulars	From April 1, 2024 to October 31, 2024		Fiscal 2024		Fiscal 2023	
	Number of transactions	Aggregate amount raised (₹ in millions)	Number of transactions	Aggregate amount raised (₹ in millions)	Number of transactions	Aggregate amount raised (₹ in millions)
IPO's	3	69,151	9	87,066.80	4	32,735.50
QIP's	3	38,777.30	8	100,593.60	1	4,750.00
OFS	1	20,109.40	1	21,158.60	2	2,997.80
Rights issue	1	1,992.90	-	-	1	3,435.60
Buyback	1	2,784.30	2	2,850.00	4	5,785.50
Open offer	-	-	1	13,430.50	1	385.60
Preferential issue	-	-	1	2,000.00	1	570.00

Statement of Profit and Loss



(All amounts are in Indian Rupees millions, unless otherwise stated)

Particulars	For the half year ended September 30, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from operations			
Interest Income	52.56	62.07	34.52
Dividend Income	0	0	0.01
Fees and commission Income	1,024.96	1,738.35	814.38
Net gain on fair value changes	0.00	0.00	0.35
Total revenue from operations	1077.52	1800.42	849.26
Other income	18.3	19.58	1.15
Total income	1,095.82	1,820.00	850.41
Expenses			
Finance costs	6.51	12.12	10.99
Fees and commission expenses	35.27	66	59.09
Employee benefit expense	385.42	653.41	535.07
Depreciation and amortisation expense	31.37	63.37	53.78
Other expenses	51.54	70.42	72.82
Total expenses	510.11	865.32	731.75
Profit (loss) before tax	585.71	954.68	118.66
Tax expense:			
Current tax	148.81	241.09	34.12
Deferred tax	-0.9	8.36	-2.2
Total tax expense	147.91	249.45	31.92
Profit (loss) for the period/year	437.8	705.23	86.74
Earnings per equity share face value Rs 2/-			
- Basic (Rs.)	6.19	9.98	1.23
- Diluted (Rs.)	6.19	9.98	1.23

Strengths



- **Fastest-growing merchant 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.
- **Extensive coverage of corporates, financial sponsors and institutional investors, with repeat business** : The Company builds long-term client relationships through tailored merchant banking solutions and strategic partnerships. It drives repeat business while expanding its network and market presence through active engagement with clients and stakeholders.
- **Experienced management and professionals, backed by a majority independent board** : The Company is led by an experienced team, including Promoter Dharmesh A. Mehta, and a majority-independent Board comprising industry professionals. 45% of the employees have over 18 years of experience, the team leverages deep domain expertise to drive growth, execute strategy, and enhance shareholder value.
- **Institutional equities platform with comprehensive research and execution capabilities** :The Company's institutional equities platform delivers research, targeted sales, and execution across cash and derivatives. With a global presence, it connects corporates and investors through events in emerging sectors like data centres and semiconductors.

Threats

- Company operates in a highly regulated environment which is subject to changes in laws and, regulations and government policies. Further, they are required to maintain various licences and permits from time to time.
- Merchant banking and institutional equities business is highly dependent on market and economic conditions.
- They have had negative cash flow from operating activities Fiscal 2024 and may continue to have negative cash flows in the future.
- They are exposed to the risk of human error, malfeasance, inadequate or insufficient due diligence which may not meet the regulator's expectation or other misconduct, which could adversely impact our business and damage our brand strength and reputation.
- They face various risks due to our heavy reliance on third-party intermediaries and vendors

Valuation and Outlook



DAM Capital Advisors Ltd IPO is expected to be priced between ₹269 to ₹283 per share. At this price, the company is valued at Price-to-Earnings (P/E) ratio of 28.3x and FY25 Forward PE Multiple of 23.5x whereas the industry average is 23.6x.

Name of Company	Total income ⁽¹⁾ (in ₹ million)	Face value (₹ per share)	Closing price on December 6, 2024 ⁽²⁾ (in ₹)	EPS (₹) Basic ⁽³⁾	EPS (₹) Diluted ⁽⁴⁾	NAV (per share) ⁽⁵⁾ (₹)	P/E (Based on Basic EPS) ⁽⁶⁾	P/E (Based on Diluted EPS) ⁽⁷⁾	RoNW ⁽⁸⁾ (%)
Our Company	1,820.00	2.00	N.A.	9.98	9.98	22.18	N.A.	N.A.	44.98%
ICICI Securities Limited	50,511.00	5.00	890.65	52.51	52.22	121.31	16.96	17.06	43.25%
IIFL Capital Services Limited	22,312.87	2.00	344.00	16.73	16.40	58.09	20.56	20.98	28.71%
JM Financial Limited	48,321.60	1.00	140.09	4.29	4.29	115.70	32.66	32.66	0.25%
Motilal Oswal Financial Services Limited ⁽¹⁾	71,305.20	1.00	970.30	41.16	40.73	147.12	23.57	23.82	27.89%

DAM Capital Advisors Ltd. is India's fastest-growing merchant banker in terms of revenue. According to a [CRISIL](#) report, the company had the highest profit margin in the financial year 2023-2024 (FY24) among its peers. As of FY24, it had a market share of 12.1% based on the number of IPO offerings and qualified institutional placements (QIPs) undertaken by the company as a book-running lead manager.

We rate "**Subscribe**" both for long-term investment and for Listing Gains.

Disclaimer:

This Report is for the personal information of the authorised recipient(s) and is not for public distribution and should not be reproduced or redistributed to any other person or in any form without prior permission of Ganesh Stock. The information provided in the report is from publicly available data, which we believe, are reliable but does not taken as an indication or guarantee of future performance/ assurance of returns. The Report also includes analysis and views of their team. The Report is purely for information purposes and does not construe to be investment recommendation/advice or an offer or solicitation of an offer to buy/sell any securities. Investment in Securities Market is subject to Market Risk.

Accordingly, Ganesh Stock or any of its connected persons including its directors or subsidiaries or associates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained, views and opinions expressed in this publication.

Investors should not solely rely on the information contained in this Report and must make investment decisions based on their own investment objectives, judgment, risk profile and financial position. The recipients of this report may take professional advice before acting on this information.

