

IPO ANALYSIS

Sector: BFSI
Issue Price: INR 269 to INR 283
Issue Size: INR 799 to INR 840 Cr
Issue Opens/Closes: December 19 / December 23

IPO Basics

Promoters: Dharmesh Anil Mehta, Sonali Dharmesh Mehta And Boombucket Advisors Private Limited
Selling Shareholders: Multiples Alternate Asset Management, Private Limited, Narotam Satyanarayan Sekhsaria, RBL Bank Limited, Easyaccess Financial Services Limited, Dharmesh Anil Mehta
Lead Managers: Nuvama Wealth Management
Registered Office: Mumbai, Maharashtra
Registrar: Link Intime India Pvt. Ltd
Listing: BSE and NSE

IPO Capital Structure

| | |
|---|--|
| Fresh Issue | NA |
| Offer for Sale | 29,690,900 equity shares upto INR 840 Cr |
| Total Issue as % of total capital (Post-Issue) | 42.00% |
| Post Issue No. of Shares | 70,686,000 |
| Employee Reservation | 70,000 equity shares upto INR 1.9 Cr |
| Post Issue Market Cap | INR 1,901 Cr - INR 2,000 Cr |
| Face Value | INR 2 |
| Issue Route | Book Build Issue |

All values calculated at upper band

Financial Snapshot (INR in crs)

| Y/E Mar | FY23 | FY24 | H1FY25 |
|---------------------------|--------------|---------------|---------------|
| Share Capital | 14.14 | 14.14 | 14.14 |
| Reserves | 73.54 | 142.65 | 182.89 |
| Net Worth | 87.68 | 156.79 | 197.03 |
| Revenue from ops | 84.93 | 180.04 | 107.75 |
| Revenue Growth (%) | -9.04% | 111.99% | - |
| EBITDA | 18.23 | 101.06 | 60.53 |
| EBITDA (%) | 21.60% | 56.60% | 56.90% |
| Net Profit | 8.67 | 70.52 | 43.78 |
| Net Profit (%) | 10.20% | 38.75% | 39.95% |
| Basic EPS | 1.23 | 9.98 | 6.19 |
| Diluted EPS | 1.23 | 9.98 | 6.19 |
| NAV (INR) | 12.40 | 22.18 | 27.87 |
| ROE (%) | 9.47% | 54.72% | 23.98% |
| P/E (Based on Upper Band) | | | 28.35 |
| Average Industry P/E | | | 23.63 |
| P/B (Based on Upper Band) | | | 10.15 |

Shareholding Pattern

| Holders | 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% |

Source: RHP, *not annualized,
PE/PB based on upper price band

| Particulars | Retail Category | NII bid between INR 2 lakhs- INR 10 lakhs | NII bid above INR 10 lakhs |
|----------------------------------|-----------------|---|----------------------------|
| Minimum Bid Lot (Shares) | 53 | 742 | 3,551 |
| Minimum Bid Lot Amount | INR 14,999 | INR 2,09,986 | INR 10,04,933 |
| No of Applications for 1x | 1,95,610 | 1,996 | 3,992 |

DAM Capital Advisors Limited

Dec 17, 2024

Issue Highlights:

- DAM Capital, founded on May 7, 1993, is one of the leading investment banks in India, holding a 12.1% market share in FY24 based on the number of IPOs and QIPs where it acted as the book running lead manager. The company provides a diverse range of financial solutions across two key segments: Merchant Banking and Institutional Equities. Its services include equity capital markets (ECM), mergers and acquisitions (M&A), private equity (PE), and structured finance advisory, along with broking and research offerings.
- The company's operations are primarily concentrated in two main segments: Merchant Banking and Institutional Equities. The Merchant Banking division is the largest contributor to the company's income, generating 67.2%, followed by the stock broking segment at 28.3%, and other income at 4.5%. This revenue structure reflects DAM Capital's strong position within the investment banking industry, particularly in ECM and advisory services. Its broad capabilities have enabled the company to sustain significant market share across various investment banking verticals.
- From November 7, 2019, to October 31, 2024, DAM Capital successfully executed 72 ECM transactions, including 27 IPOs, 16 QIPs, 6 OFS, and several other capital market deals. In addition to ECM, the company has advised on 23 advisory transactions, including M&A, PE, and structured finance. The firm has also been involved in executing multiple block trades. These efforts have solidified DAM Capital's leadership in capital market activities and further expanded its reputation in advisory services.
- DAM Capital has shown impressive growth, reporting a compound annual growth rate (CAGR) of 38.8% in total income from FY22 to FY24. In FY24, it reported the highest fees and commission income as a percentage of total income (95.5%) compared to its peers. It also led in EBITDA growth with a CAGR of 73.4% and a PAT growth of 79.4%. DAM Capital's PAT for FY24 was Rs 70.52 crore, marking an extraordinary 712.8% year-on-year increase, highlighting its robust financial performance and successful business strategies.
- The company's financial metrics in FY24 demonstrate exceptional efficiency, with a profit margin of 38.7% and a return on equity (ROE) of 54.7%. These metrics reflect DAM Capital's ability to maximize shareholder value and effectively manage its resources. The company also had the highest revenue per employee among its peers, reporting Rs 1.64 crore in FY24.

Key Risks:

- Market volatility and economic downturns can significantly affect equity capital markets activity, reducing client transactions and impacting revenue generation for the company.
- Operating across jurisdictions involves navigating complex regulations, creating compliance challenges that may lead to increased costs, operational disruptions, or penalties for non-compliance.

| Particulars | No. of shares (Cr.) | Issue Size Amount at Lower band (INR. Cr.) | Issue Size Amount at Upper band (INR. Cr.) | % Of Issue |
|---------------------------------------|---------------------|--|--|----------------|
| QIB | 1.48 | 398.40 | 419.14 | 50% |
| NIB | 0.44 | 119.52 | 125.74 | 15% |
| -NIB2 (Bid above INR 10 Lakhs) | 0.30 | 79.68 | 83.83 | - |
| -NIB1 (Bid between INR 2 to 10 Lakhs) | 0.15 | 39.84 | 41.91 | - |
| Retail | 1.04 | 278.88 | 293.40 | 35% |
| Employee | 0.01 | 1.88 | 1.98 | - |
| Total | 2.97 | 798.69 | 840.25 | 100.00% |

An Indicative Timetable Post Issue Closing

| Particulars | Tentative Date |
|--------------------------------------|-------------------|
| Finalization of Basis of Allotment | December 24, 2024 |
| Refunds/un-blocking of ASBA Accounts | December 26, 2024 |
| Credit of Equity Shares to DP Ac | December 26, 2024 |
| Trading Commences | December 27, 2024 |

Investors are advised to refer disclosures made at the end of the research report.

BACKGROUND

The Company was incorporated as “S. S. Kantilal Ishwarlal Sharebrokers and Investors Private Limited” on May 7, 1993. The Promoters, Dharmesh Anil Mehta, Sonali Dharmesh Mehta, and Boombucket Advisors Pvt Ltd, hold 45.88% of the company’s pre-Offer equity capital, totaling 32,433,300 shares.

The company began operations in 1993 as S.S. Kantilal Ishwarlal Sharebrokers and Investors Pvt Ltd. It rebranded as SSKIPL in 1994. In 2006, IDFC acquired SSKIPL, completing the acquisition in 2008. IDFC divested its stake in 2019, which was purchased by Dharmesh Anil Mehta and other investors. The company’s name changed to DAM Capital Advisors Ltd in July 2020.

Brief Biographies of Directors

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 Propelld (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 (INR) |
|---|---------------------------------------|-----------------------------|
| <i>Dharmesh Anil Mehta</i> | <i>Upto _3,098,850 Equity Shares^</i> | <i>5.39</i> |
| The Offer for Sale by Investor Selling Shareholders | | |
| <i>Multiples Alternate Asset Management Pvt Ltd</i> | <i>Upto 8,714,400 Equity Shares^</i> | <i>14.64</i> |
| <i>Narotam Satyanarayan Sekhsaria</i> | <i>Upto 7,042,400 Equity Shares^</i> | <i>14.64</i> |
| <i>RBL Bank Ltd</i> | <i>Upto 5,771,000 Equity Shares^</i> | <i>14.64</i> |
| <i>Easyaccess Financial Services Ltd</i> | <i>Upto 5,064,250 Equity Shares^</i> | <i>14.64</i> |

(^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 |
| <i>Promoter</i> | <i>32,433,300</i> | <i>45.88%</i> | <i>3,098,850</i> | <i>29,334,450</i> | <i>41.50%</i> |
| Total for Promoter | 32,433,300 | 45.88% | 3,098,850 | 29,334,450 | 41.50% |
| <i>Public - Investors Selling Shareholders</i> | <i>38,252,700</i> | <i>54.12</i> | <i>26,592,050</i> | <i>11,660,650</i> | <i>16.50%</i> |
| <i>Public – Others</i> | <i>0</i> | <i>0.00%</i> | | <i>29,690,900</i> | <i>42.00%</i> |
| 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% |

BUSINESS OVERVIEW

DAM Capital is the fastest growing investment bank in India by revenue CAGR from FY22 to FY24 with the highest profit margin in FY24 among peers. They hold a 12.1% market share based on IPOs and QIPs as the book running lead manager in FY24. They offer financial solutions in Merchant Banking (ECM, M&A, PE, structured finance advisory) and Institutional Equities (broking, research).

DAM Capital has executed 72 ECM transactions from November 2019 to October 2024, including IPOs, QIPs, and buybacks. Additionally, the company has advised on 23 M&A, private equity, and structured finance advisory transactions. Their institutional equities team serves 263 clients globally, including registered FPIs across regions such as India, USA, UK, Europe, Hong Kong, Singapore, Australia, Taiwan, South Korea, the Middle East, and South Africa.

Under the leadership of Dharmesh Anil Mehta, DAM Capital has grown rapidly with total income increasing from INR85.04 crore in FY23 to INR182 crore in FY24, representing a 38.77% CAGR. Profit after tax has grown at a 79.46% CAGR from INR8.67 crore in FY23 to INR70.52 crore in FY24. The profit after tax for the six months ended September 30, 2024, was INR43.78 crore. The company declared dividends of INR3.53 crore for FY24.

DAM Capital leverages strong client relationships, execution capabilities, and landmark transactions to achieve rapid growth. Positioned to benefit from India's growth, the company offers tailored solutions through its industry expertise, research, and investor network. As of October 31, 2024, they had 121 employees, with an average of 15.7 years of experience. The senior team is involved in building client relationships and executing transactions.

DAM Capital is supported by marquee investors and a diverse board of directors, which strengthens strategic decision-making, governance, and innovation. Their wholly owned subsidiary, DAM Capital (USA) Inc., operates as a broker-dealer in the USA and is registered with the SEC. Through a chaperoning arrangement with DAM USA, the company can access US clients and offer Rule 144A issuances of Indian companies to institutional investors.

COMPANY'S PRODUCT PORTFOLIO

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

Merchant banking

The Merchant Banking division provides financial services to help clients achieve strategic goals, specializing in ECM, M&A and PE advisory, and structured finance advisory.

Equity Capital Markets

DAM Capital offers ECM services to corporate clients and financial sponsors, assisting in fund raising both domestically and internationally. They have a 12.1% market share in IPOs and QIPs as the BRLM in FY24. Their services include IPOs, QIPs, REITs, OFS, rights issues, preferential issues, buybacks, de-listings, and open offers.

M&A and PE Advisory

DAM Capital provides advisory services for domestic and cross-border M&A and restructuring. They have executed significant transactions like advising Nirma on Glenmark Life Sciences Ltd acquisition and assisting Reliance New Energy Solar Ltd on the acquisition of Sterling and Wilson Solar Ltd's 40% stake.

Structured Finance Advisory

DAM Capital assists clients in raising capital through leveraged products, working with key players like NBFCs, AIFs, credit funds, and large family offices, acting as an intermediary with no balance sheet exposure.

Institutional Equities

DAM Capital's institutional equities platform offers comprehensive research, sales, and trading services to a diverse clientele, including foreign institutional investors, mutual funds, insurance companies, private equity, venture capital funds, and corporate treasuries. They earn brokerage fees based on transaction size.

Research

As of July 31, 2024, DAM Capital's research team includes 27 employees covering 20 sectors and 161 companies, with 11 lead analysts averaging 13.6 years of experience. Lead analysts release regular reports and host earnings calls to communicate company strategies.

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, | | | | | |
|--------------------|------------------------------------|-----------------|---------------------|-----------------|---------------------|-----------------|---------------------|-----------------|
| | | | 2024 | | 2023 | | 2022 | |
| | No. of Transactions | Amount (INR Cr) | No. of Transactions | Amount (INR Cr) | No. of Transactions | Amount (INR Cr) | No. of Transactions | Amount (INR 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 |

Source: RHP

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

| Name of the company | Issue Size (INR 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 |

| Name of the company | Issue Size (INR 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 |

| | |
|---------------------------------|-------|
| 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 (INR 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
Source: RHP

| | |
|--|---------|
| 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 (INR 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 INR2,845 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 |

Source: RHP

REVENUE FROM OPERATIONS

(INR Cr)

| | 6 months ended Sept'30, 2024 | 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 |

Source: RHP

| Segment operating revenue | 6 months ended Sept'30, 2024 | 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 |

Source: RHP

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 (INR in Cr) | Nil | Nil | 3.53 | 1.41 | 2.12 |
| Dividend per share (in INR) | Nil | Nil | 2.50 | 1.00 | 1.50 |
| Rate of dividend (%) | Nil | Nil | 25% | 10% | 15% |
| Tax deducted on behalf of Shareholder (INR in Cr) | Na | Na | 0.35 | 0.14 | 0.21 |

Source: RHP

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. They have a 12.1% market share in IPOs and QIPs as the book running lead manager in Fiscal 2024. They were book running lead managers for 5 IPOs and QIPs in the 6 months ended September 30, 2024, and 17 in Fiscal 2024.

Proven execution with in-depth understanding of sectors and products

DAM Capital's sector expertise allows them to identify niche opportunities early. They have executed transactions in pharmaceuticals, infrastructure, manufacturing, retail, technology, financial services, and healthcare. Their ability to execute QIPs as a sole lead manager demonstrates their leadership in transactions. They focus on specialized products like buybacks, delisting, and open offers to meet evolving market needs.

Institutional equities platform with comprehensive research and execution capabilities

Research: DAM Capital's institutional equities platform includes fundamental and macro-economic research, thematic research, and client-specific insights.

Sales: The sales team provides targeted marketing and access to data and corporate contacts, covering India, USA, UK, Europe, Hong Kong, Singapore, Australia, Taiwan, South Korea, Middle East, and South Africa.

Sales trading: Their sales trading team executes across cash and derivatives segments.

Extensive coverage of corporates, financial sponsors, and institutional investors, with repeat business

DAM Capital has long-term relationships with clients, including institutional investors, corporates, and family offices, fostering repeat business. Their strategic relationships with financial sponsors are expected to continue to grow, as evidenced by successful IPOs from PE-funded companies like Dodla Dairy, Mrs Bector Food Specialties, and Mamaearth.

Experienced management and professionals, backed by a majority independent board

The company has an experienced executive team led by Dharmesh Anil Mehta with over 25 years of experience. As of October 31, 2024, DAM Capital employs 121 professionals, with 45% having over 18 years of experience. Their strong management team has been crucial to the company's growth and success.

Strong track record of revenue growth and profitability

DAM Capital's total income grew from INR94.51 crore in FY22 to INR182 crore in FY24, representing a CAGR of 38.77%. Similarly, profit increased from INR21.90 crore in FY22 to INR70.52 crore in FY24, reflecting a CAGR of 79.46%. For the 6 months ending September 30, 2024, their total income was INR109.58 crore and profit was INR43.78 crore.

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 | |
|------------------|--------------------------------|-------------------|
| | Segment Categories | Revenue Split (%) |
| DAM Capital | Investment Banking | 67.2% |
| | Stock broking | 28.3% |
| | Others | 4.5% |
| ICICI Securities | Retail and Equities | 43.7% |
| | Private wealth management | 23.2% |
| | Distribution Revenue | 10.6% |
| | Issuer services and advisory | 4.8% |
| | Institutional equities | 5.4% |
| IIFL Securities | Other | 12.2% |
| | Retail Broking | 29.0% |
| | Financial Product distribution | 17.0% |
| | Institutional broking | 17.0% |
| | Investment Banking | 10.0% |
| | Others | 27.0% |

Source: RHP

| Players | Segment wise Revenue split | |
|---------------|---|-------------------|
| | Segment Categories | Revenue Split (%) |
| JM Financials | Integrated investment bank | 39.4% |
| | Mortgage Lending | 30.5% |
| | Alternative and Distressed Credit | 6.5% |
| | Asset Management, Wealth Management and Securities Business, (Platform AWS) | 19.5% |
| | Others | 4.1% |
| Motilal Oswal | Capital Market | 47.3% |
| | Asset and Wealth management | 26.6% |
| | Home Finance | 7.5% |
| | Treasury Investment | 18.5% |
| | Unallocated | 0.0% |

| Company | Total Income (INR Cr) | | | | | Fees and Commission Revenue as % of Total Income | | | |
|--------------------|-----------------------|---------------|---------------|--------------|-------------|--|---------------|---------------|---------------|
| | CAGR (FY22-24) | H1FY25 | FY24 | FY23 | FY22 | H1FY25 | FY24 | FY23 | FY22 |
| DAM Capital | 38.80% | 109.60 | 182.00 | 85.00 | 94.5 | 93.5% | 95.50% | 95.90% | 96.70% |
| ICICI Securities | 21.20% | 3,351.20 | 5,051.10 | 3,425.50 | 3,438.50 | 62.00% | 64.70% | 67.80% | 77.20% |
| IIFL Securities | 30.20% | 1,347.50 | 2,231.30 | 1,370.40 | 1,316.40 | 78.70% | 81.30% | 82.60% | 78.80% |
| JM Financials | 13.30% | 2,305.10 | 4,832.20 | 3,343.10 | 3,766.30 | 20.50% | 22.70% | 19.70% | 21.70% |
| Motilal Oswal | 28.50% | 5,163.70 | 7,130.50 | 4,197.10 | 4,316.40 | 46.00% | 50.80% | 65.10% | 60.40% |

Source: RHP

| Company | EBITDA (INR Cr) and EBITDA Margin (%) | | | | | Profit after Tax (INR Cr) 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 | 79.40% | 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 | 24.10% | 2,306.51 | 3,373.39 | 2,112.48 | 2,188.97 | 10.80% | 1,055.95 | 1,696.69 | 1,117.63 | 1,382.6 |
| | | 68.80% | 66.80% | 61.70% | 63.70% | | 31.50% | 33.60% | 32.60% | 40.20% |
| IIFL Securities | 29.00% | 628.10 | 944.41 | 483.26 | 567.09 | 29.60% | 387.62 | 513.35 | 249.81 | 305.83 |
| | | 46.60% | 42.30% | 35.30% | 43.10% | | 28.80% | 23.00% | 18.20% | 23.20% |
| JM Financials | (10.70)% | 1,143.28 | 1,967.92 | 2,172.99 | 2,467.55 | (83.30)% | 329.57 | 27.52 | 708.76 | 992.37 |
| | | 49.60% | 40.70% | 65.00% | 65.60% | | 14.30% | 0.60% | 21.10% | 26.40% |
| Motilal Oswal | 38.90% | 3,217.61 | 4,128.60 | 1,896.46 | 2,138.84 | 36.60% | 2,005.37 | 2,445.62 | 932.82 | 1,310.73 |
| | | 62.30% | 57.90% | 45.20% | 49.60% | | 38.80% | 34.30% | 22.20% | 30.40% |

Source: RHP

| Company | Return on Equity | | | | No. of Employees | | |
|--------------------|------------------|---------------|--------------|---------------|------------------|------------|-----------|
| | H1FY25 | FY24 | FY23 | FY22 | FY24 | FY23 | FY22 |
| DAM Capital | 23.98% | 54.72% | 9.47% | 28.53% | 111 | 100 | 92 |
| ICICI Securities | 25.18% | 50.09% | 42.31% | 65.02% | 5,413 | 4,494 | 4,094 |
| IIFL Securities | 21.67% | 32.72% | 19.74% | 28.46% | 1,486 | 1,579 | 2,254 |
| JM Financials | 2.95% | 0.25% | 6.47% | 9.78% | 4,000 | 2,405 | 3,259 |
| Motilal Oswal | 20.18% | 32.50% | 15.57% | 25.71% | 11,290 | 7,303 | 6,951 |

Source: RHP

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

| Company | No. of Issues | | | | | Total Issue Amount (INR 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 |

Source: RHP

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

| Name of the Company | Face Value | Total Income (INR Cr) | Closing price on December 6, 2024 (in INR) | Market Cap (INR Cr) | EPS (INR) | | PE (INR) | | RoNW | NAV (INR) |
|----------------------------------|------------|-----------------------|--|---------------------|-----------|---------|----------------------|------------------------|--------|-----------|
| | | | | | Basic | Diluted | (Based on Basic EPS) | (Based on Diluted EPS) | | |
| DAM Capital Advisors Ltd | 2 | 182.00 | NA | NA | 9.98 | 9.98 | 28.35 | 28.35 | 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, PE of DAM based on upper price band.

COMPARISON WITH LISTED INDUSTRY PEERS

(INR Cr)

| 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 | 182.00 | 85.04 | 94.50 | 5051.10 | 3425.48 | 3438.48 | 2231.28 | 1370.38 | 1316.41 | 7130.52 | 4197.12 | 4316.41 | 4832.16 | 3343.10 | 3763.30 |
| 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 | 70.50 | 8.70 | 21.90 | 1696.70 | 1117.60 | 1382.60 | 513.40 | 249.80 | 305.80 | 2445.60 | 932.80 | 1310.70 | 27.50 | 708.80 | 992.40 |
| 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 |

Source: RHP

Restated Statement of Cash Flows

(INR Cr)

| | As at 6 months period ended Sep'30, | As at March 31, | | |
|--|-------------------------------------|-----------------|---------------|--------------|
| | 2024 | 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 |

Source: RHP

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