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(Please scan this QR code to view the Red Herring Prospectus)

DAM CAPITAL ADVISORS LIMITED

Our Company was originally incorporated as "S. S. Kantilal Ishwarlal Sharebrokers and Investors Private Limited" as a private limited company under the provisions of the Companies Act, 1956, at Bombay, India, pursuant to a certificate of incorporation dated May 7, 1993, issued by the Registrar of Companies, Maharashtra at Mumbai ("RoC"). The name of our Company was changed to "S. S. Kantilal Ishwarlal Securities Private Limited" pursuant to a special resolution of our shareholders dated March 26, 1994, and a fresh certificate of incorporation dated April 22, 1994 was issued by the RoC. Subsequently, the name of our Company was changed to IDFC-SSKI Securities Private Limited, pursuant to a special resolution of our shareholders dated September 21, 2007, and a fresh certificate of incorporation dated October 24, 2007, was issued by the RoC. Thereafter, pursuant to a shareholders' resolution dated February 12, 2008, our Company was converted into a public limited company and the name of our Company was changed to "IDFC-SSKI Securities Limited", and a fresh certificate of incorporation dated March 10, 2008 was issued by the RoC. Pursuant to a special resolution dated February 16, 2010 passed by the shareholders, the name of our Company was changed to IDFC Securities Limited and a certificate of incorporation dated March 12, 2010 was issued by the RoC. The name of our Company changed to "DAM Capital Advisors Limited" pursuant to a special resolution of our shareholders dated June 25, 2020, and a fresh certificate of incorporation dated July 28, 2020, was issued by the RoC. For details in relation to the changes in the name and registered office of our Company, see "History and Certain Corporate Matters – Brief history of our Company" and "History and Certain Corporate Matters - Changes in the registered office of our Company" on page 195 of the red herring prospectus dated December 14, 2024 ("RHP" or "Red Herring Prospectus") filed with the RoC.

Corporate Identity Number: U99999MH1993PLC071865

Registered Office: PG-1, Ground Floor, Rotunda Building, Dalal Street, Fort, Mumbai - 400 001, Maharashtra, India

Corporate Office: One BKC, Tower C, 15th Floor, Unit No. 1511, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 Maharashtra, India, Contact Person: Rajesh Tekadiwala, Company Secretary and Compliance Officer, Tel: +91 22 4202 2500 | E-mail: compliance@damcapital.in | Website: www.damcapital.in

OUR PROMOTERS: DHARMESH ANIL MEHTA, SONALI DHARMESH MEHTA AND BOOMBUCKET ADVISORS PRIVATE LIMITED

INITIAL PUBLIC OFFERING OF UP TO 29,690,900 EQUITY SHARES OF FACE VALUE OF ₹2 EACH ("EQUITY SHARES") OF DAM CAPITAL ADVISORS LIMITED (OUR "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (THE "OFFER PRICE") BY THE INVESTOR SELLING SHAREHOLDERS AND BY THE PROMOTER SELLING SHAREHOLDER.

THE OFFER INCLUDES A RESERVATION OF UP TO 70,000 EQUITY SHARES OF FACE VALUE ₹2 EACH, AGGREGATING UP TO ₹[●] MILLION (CONSTITUTING UP TO [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL, FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES ("EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●]% AND [●]%, RESPECTIVELY, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

DETAILS OF THE OFFER FOR SALE

Name of the Selling Shareholder	Type	Number of Equity Shares offered/ Amount (in ₹ million)	Weighted average cost of acquisition per Equity Share (in ₹) ⁽¹⁾⁽²⁾
Multiples Alternate Asset Management Private Limited	Investor Selling Shareholder	Up to 8,714,400 Equity Shares of face value of ₹2 each aggregating up to ₹[●] million	14.64
Narotam Satyanarayan Sekhsaria	Investor Selling Shareholder	Up to 7,042,400 Equity Shares of face value of ₹2 each aggregating up to ₹[●] million	14.64
RBL Bank Limited	Investor Selling Shareholder	Up to 5,771,000 Equity Shares of face value of ₹2 each aggregating up to ₹[●] million	14.64
Easyaccess Financial Services Limited	Investor Selling Shareholder	Up to 5,064,250 Equity Shares of face value of ₹2 each aggregating up to ₹[●] million	14.64
Dharmesh Anil Mehta	Promoter Selling Shareholder	Up to 3,098,850 Equity Shares of face value of ₹2 each aggregating up to ₹[●] million	5.39 ⁽³⁾

As certified by Shaparia Mehta & Associates LLP, Chartered Accountants, by way of their certificate dated December 14, 2024.

(1) Average cost of acquisition has been calculated after considering split of face value of equity shares from ₹10 per equity share to ₹2 per equity share pursuant to a Board resolution dated July 23, 2024 and Shareholders' resolution dated August 13, 2024.

(2) Average cost of acquisition has been calculated after considering equity shares received through gift.

(3) Average cost of acquisition has been calculated after considering equity shares received through gift.

We provide 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; and (ii) institutional equities comprising broking and research.

The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations
Qualified Institutional Buyer ("QIB") Portion: Not more than 50% of the Net Offer | Non-Institutional Portion: Not less than 15% of the Net Offer
Retail Portion: Not less than 35% of the Net Offer
Employee Reservation Portion: Up to 70,000 Equity Shares of Face Value of ₹2 each aggregating up to ₹ [●] million

PRICE BAND: ₹269 TO ₹283 PER EQUITY SHARE OF FACE VALUE OF ₹2 EACH.

THE FLOOR PRICE AND THE CAP PRICE ARE 134.50 TIMES AND 141.50 TIMES THE FACE VALUE OF THE EQUITY SHARES RESPECTIVELY.
BIDS CAN BE MADE FOR A MINIMUM OF 53 EQUITY SHARES AND IN MULTIPLES OF 53 EQUITY SHARES THEREAFTER.
THE PRICE TO EARNINGS RATIO BASED ON DILUTED EPS FOR FINANCIAL YEAR 2024 FOR THE COMPANY AT THE HIGHER END OF THE PRICE BAND IS AS HIGH AS 28.36 AND AT THE LOWER END OF THE PRICE BAND IS 26.95 TIMES WHICH IS HIGHER THAN THE INDUSTRY AVERAGE OF 23.63 TIMES.

In accordance with the recommendation of the Independent Directors of our Company, pursuant to their resolution dated December 14, 2024, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the 'Basis for Offer Price' section beginning on page 102 of the RHP vis-a-vis the weighted average cost of acquisition ("WACA") of primary and secondary transaction(s), as applicable, disclosed in 'Basis for Offer Price' section beginning on page 102 of the RHP.

In making an investment decision and purchase in the Offer, potential investors must only rely on the information included in the RHP and the terms of the Offer, including the merits and risks involved and not rely on any other external sources of information about the Offer available in any manner.

In relation to price band, potential Investors should only refer to this price band advertisement for the Offer and should not rely on any media articles/reports in relation to the valuation of the Company as these are not endorsed, published or confirmed either by the Company or by the BRLM.

RISK TO INVESTORS

Risk factors for our review refer to section titled "Risk Factors" on page 28 of the RHP

1. **Losses incurred and negative cash flows in past periods** - We have incurred losses in Fiscals 2023 and 2022 amounting to ₹147.84 million and ₹116.59 million, representing 35.75% and 32.65%, respectively from our stock broking segment. Any further reduction in our brokerage fee could have a material adverse effect on our business, financial condition, cash flows and results of operations.

For Fiscal 2024, we have had net cash outflow of ₹5,950.17 million from operating activities, compared to net cash inflows of ₹196.71 million in the six months ended September 30, 2024 and ₹6,793.96 million and ₹374.36 million in Fiscals 2023 and 2022, respectively

2. **Market Risk** - Our merchant banking and institutional equities business is highly dependent on market and economic conditions. The details of our advisory fee income and brokerage is as follows:

Particulars	Six months ended September 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ million)	Percentage of total income (%)	Amount (₹ million)	Percentage of total income (%)	Amount (₹ million)	Percentage of total income (%)	Amount (₹ million)	Percentage of total income (%)
Advisory fee income	602.44	54.98%	1,243.63	68.33%	522.88	61.49%	611.14	64.67%
Brokerage	422.52	38.56%	494.72	27.18%	291.50	34.28%	302.40	32.00%

3. The proceeds through Offer for Sale of ₹ 8,402.52 mn i.e. 100% of the total issue size of ₹ 8,402.52 mn would not go to the Company (computed at upper end of the price band).

4. **Business Risk** - We operate in a highly regulated environment

which is subject to changes in laws and, regulations and government policies. Further, we are required to maintain various licences and permits for our business from time to time. Any failure or delay in obtaining or renewing licences or permits or non-

...continued from previous page.

compliance to the changing laws may adversely affect our business, financial condition and results of operations.

5. **Regulatory Risk** - Our Company and Subsidiary, DAM USA, are subject to periodic inspections by various statutory and regulatory authorities and our international operations increase the risks that we face in the USA and from regulators of USA. Non-compliance with the observations made during any such inspections could lead to penalties, adverse regulatory actions or issue of warning letters which may adversely impact our reputation, financial condition and results of operations. In the past, based on findings of inspections conducted by the Stock Exchanges, internal audit observations, our Company has paid penalties to the Stock Exchanges. Our Company had also received warning letters from SEBI.
6. **Liquidity Risk** - A significant decrease in our liquidity could negatively affect our business and reduce client confidence. Further, we require margin money to execute trades for the equity broking segment for derivatives and cash equity segments. If these requirements are not met then it may have an adverse effect on our results of operations. The margin money paid for September 30, 2024 and for Fiscals 2024, 2023 and 2022 is ₹998.38 million, ₹728.38 million, ₹548.38 million and ₹302.38 million, respectively.
7. **Revenue Concentration** - A significant portion of our revenue is from only two income streams, namely, advisory fee income and brokerage, which are highly dependent on general macro-economic conditions, and their continued success is necessary for our business prospects.
8. **Key Man Concentration** - The success of our business operations is dependent on our Promoter and Managing Director, Mr. Dharmesh Anil Mehta and on Directors, Key Managerial Personnel and Senior Management as well as our ability to attract, train and retain employees. The attrition rate for six months period ended September 30, 2024 and for Fiscals 2024, 2023 and 2022 is 4.17%, 18.02%, 12.00% and 23.91%, respectively.
9. **Client Retention** - We face various risks in relation to our merchant banking business, such as ability to attract and retain clients, investors and employees, execution of the transaction in timely manner, unfavourable market conditions and regulatory environment and we may not be able to sustain our growth or expand our client base in light of competitive pressure or failure to implement business strategies. Our total number of billed clients in merchant banking business were 30, 27, 36 and 18 in Fiscal 2022, Fiscal 2023, Fiscal 2024 and six months ended September 30, 2024, respectively. Our total number of billed clients in institutional equities business increased from 133 in Fiscal 2022 to 167 in Fiscal 2023 to 203 in Fiscal 2024 and to 170 in the six months ended September 30, 2024.
10. **Operational Risk** - There are operational risks associated with the merchant banking and institutional equities industry including potential errors in research disseminated or advice provided by us which, if realised, may have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.
11. **Market Risk** - The determination of the Price Band is based on various factors and assumptions and the Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer. Further, the current market price of some securities listed pursuant to certain previous issues managed by the BRLM is below their respective issue prices. Also, listing and quotation do not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares.

Accordingly, any valuation exercise undertaken for the purposes of the Offer by our Company would not be based on a benchmark with our industry peers.

The Offer Price of our Equity Shares, our Price to Earning ratio at Offer Price may not be indicative of the market price of the Equity Shares after the Offer.

Particulars	Ratio vis-à-vis Floor Price (₹ 269)	Ratio vis-à-vis Cap Price (₹ 283)
Price to Earning (Diluted)	26.95	28.36

12. The Weighted Average Cost of acquisition of all Equity Shares transacted in last three years, 18 months and one year preceding the date of the RHP:

Period	Weighted average cost of acquisition ⁽¹⁾ (in ₹)	Cap Price is 'x' times the weighted average cost of acquisition ⁽²⁾	Range of acquisition price: lowest price – highest price ⁽¹⁾ (in ₹)
Last one year	Nil	NA	0-0
Last 18 months	Nil	NA	0-0
Last three years	Nil	NA	0-0

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⁽¹⁾ Average cost of acquisition has been calculated after considering equity shares received through gift and split of face value of equity shares from ₹10 per equity share to ₹2 per equity share pursuant to a Board resolution dated July 23, 2024 and Shareholders' resolution dated August 13, 2024.

⁽²⁾ As weighted average cost of acquisition is Nil, this is Not Applicable.

13. Weighted average cost of acquisition compared to Floor Price and Cap Price:

Past transactions	Weighted average cost of acquisition per Equity Share (₹)*	Floor Price (₹)*	Cap Price (₹)*
WACA of Equity Shares based on primary issuances undertaken during the three immediately preceding years	Nil	NA	NA
WACA of Equity Shares based on secondary transactions undertaken during the three immediately preceding years	Nil	NA	NA

[#] As certified by Shaparia Mehta & Associates LLP, Chartered Accountants by way of their certificate dated December 14, 2024.

^{*}As weighted average cost of acquisition is Nil, this is Not Applicable.

14. The BRLM associated with the Offer have handled 27 public issues in the past three Financial Years, out of which 8 issues closed below the Offer price on the listing date.

Name of BRLM	Total Public Issues	Issued Closed below the Offer Price on Listing Date
Nuvama Wealth Management Limited	27	8

BID/OFFER PERIOD

BID/OFFER CLOSES ON : MONDAY, DECEMBER 23, 2024⁽¹⁾



Business Standard
50
Years of Insight

