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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" both on page 195 of the Prospectus.

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

Our Company has filed the Prospectus dated December 23, 2024 with ROC ("Prospectus") and the Equity Shares (as defined below) are proposed to be listed on the Main Board platform of National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") and the trading is expected to commence on December 27, 2024.

BASIS OF ALLOTMENT

INITIAL PUBLIC OFFERING OF 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 ₹283 PER EQUITY SHARE (THE "OFFER PRICE") AGGREGATING TO ₹8,402.52 MILLION COMPRISING AN OFFER FOR SALE OF 8,714,400 EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING TO ₹2,466.18 MILLION BY MULTIPLES ALTERNATE ASSET MANAGEMENT PRIVATE LIMITED ("MAAMPL"), 7,042,400 EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING TO ₹1,993.00 MILLION BY NAROTAM SATYANARAYAN SEKHSARIA ("NSS"), 5,771,000 EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING TO ₹1,633.19 MILLION BY RBL BANK LIMITED, 5,064,250 EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING TO ₹1,433.18 MILLION BY EASYACCESS FINANCIAL SERVICES LIMITED ("EFSL", TOGETHER WITH MAAMPL, NSS AND RBL, THE "INVESTOR SELLING SHAREHOLDERS") AND 3,098,850 EQUITY SHARES OF FACE VALUE OF ₹2 EACH AGGREGATING TO ₹876.97 MILLION BY DHARMESH ANIL MEHTA (THE "PROMOTER SELLING SHAREHOLDER", TOGETHER WITH THE INVESTOR SELLING SHAREHOLDERS, THE "SELLING SHAREHOLDERS" AND SUCH OFFER BY THE SELLING SHAREHOLDERS, THE "OFFER FOR SALE").

THE OFFER INCLUDES A RESERVATION OF 70,000 EQUITY SHARES OF FACE VALUE ₹2 EACH, AGGREGATING TO ₹19.81 MILLION (CONSTITUTING 0.10% 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 42.00% AND 41.90%, RESPECTIVELY, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

ANCHOR INVESTOR OFFER PRICE: ₹ 283 PER EQUITY SHARE OF FACE VALUE OF ₹ 2 EACH

OFFER PRICE: ₹ 283 PER EQUITY SHARE OF FACE VALUE OF ₹ 2 EACH

THE OFFER PRICE IS 141.50 TIMES THE FACE VALUE OF THE EQUITY SHARES.

RISK TO INVESTORS

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

- 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

- 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%

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

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

- 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.

- 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.

- 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.

- 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.

- 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.

- 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.

- 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

- 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 Prospectus:

Period	Weighted average cost of acquisition ⁽¹⁾ (in ₹)	Cap Price is 'x' times the weighted average cost of acquisition	Range of acquisition price: lowest price - highest price ⁽¹⁾ (in ₹)
Last one year	134.45	2.10	283-283
Last 18 months	134.45	2.10	283-283
Last three years	134.45	2.10	283-283

As certified by Shaparia Mehta & Associates LLP, Chartered Accountants, by way of their certificate dated December 23, 2024.

⁽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.

- 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	283	0.95 times	1.00 times

[#] As certified by Shaparia Mehta & Associates LLP, Chartered Accountants by way of their certificate dated December 23, 2024.

- 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	Issues Closed below the Offer Price on Listing Date
Nuvama Wealth Management Limited	27	8

