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Issue Offer

Fresh Issue of 3,872,000 equity shares up to INR 232.3 mn and offer for sale of 1,548,000 equity share aggregating up to INR 92.89 mn

Issue Summary

Price Band (INR)	57-60
Face Value (INR)	10
Implied Market Cap (INR Mn)	1084
Market Lot	2000
Issue Opens on	May,28,2024
Issue Close on	May,30,2024
No. of share pre-issue	1,41,92,913
No. of share post issue	1,80,64,913
Listing	NSE - SME

Issue Break-up (%)

QIB Portion	50
NIB Portion	15
Retail Portion	35

Book Running Lead Managers

Beeline Capital Advisors Pvt Ltd

Registrar

Kfin Technologies Limited

Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	67.88%	44.76%
Public & Others	32.12%	55.24%

Objects of the issue

- Building Up Technology Infrastructure for existing business.
- To acquired and now a wholly owned subsidiary. Will offer Depository Participant and Registrar & Share Transfer Agent services.
- Purchase of New Office Premises.
- General corporate purposes.

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Beacon Trusteeship Ltd established in 2015, specializes in offering a range of trustee services for financial securities. These services include debenture trusteeship, security trustee services, trustee to Alternate Investment Fund (AIF), trustee to ESOP, securitization trustee, bond trusteeship, and escrow services. The company provides due diligence, custodial services, compliance monitoring, documentation, disclosure, and record retention among its offerings. It covers NCDs and convertibles under debenture trusteeship, acts as a security trustee for loans, and offers due diligence services for AIFs. Specifically, as a security trustee for escrow accounts, it ensures proper transfer protocols and assists in drafting agreements and setting up mechanisms. With a workforce of around 70 employees, Beacon Trusteeship Ltd is committed to providing comprehensive and reliable trustee solutions in the financial sector.

Investment Rationale

Leveraging Technological Proficiency for Superior services: Company greatest asset, equipped with specialized knowledge and the capability is to develop customized solutions. By maintaining in-house technological capacity, they ensure superior response times and quality of work. Mostly their investment in technology and innovation enhances service efficiency and quality through advanced risk management systems and automated workflows. With stringent information security policies, company ensure the safe management of sensitive data for various financial institutions, facilitating smooth audits.

Premier Clientele and Industry Recognition :Company has secured a position among the top three trustees in recent years. In a relatively short period, company has consistently won significant debt assignments from public sector undertakings (PSUs), banking, financial services, and insurance (BFSI) entities, as well as leading conglomerates in real estate, infrastructure, and manufacturing. Promoted by a group of former bankers and industry elites, Beacon has built a strong network of influential connections within globally renowned organizations, solidifying its reputation and client base.

Expansion of the network in the pan India and International reach: Company has robust Pan-India presence with a network extending across major states such as Punjab, Delhi, Himachal Pradesh, Chandigarh, Haryana, Rajasthan, Uttar Pradesh, Bihar, West Bengal, Odisha, Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Kerala, Tamil Nadu, Telangana, and Andhra Pradesh. This extensive reach ensures access to a diverse and highly skilled talent pool. Additionally, company global presence in Singapore enhances their ability to serve clients with international operations, expanding their expertise and market influence beyond Indian borders.

Optimistic Industry Projections and strategic positioning: The Indian Bond Market has demonstrated a notable CAGR of approximately 9% over the years. This growth is driven by a forecasted 1.7 times increase in capex from FY 2023 to FY 2027. India's trajectory towards becoming a USD 5 trillion economy by 2027, aided by demographic advantages and financial sector development, underpins this optimistic outlook.

Valuation and View: Beacon Trusteeship Ltd is primarily in the business of debenture trusteeship, offering a wide range of security markets related services under one roof. The company has shown consistent growth, with revenue increasing by 33% and PAT rising by 34.25% between the FY24 and FY23. The market capitalization of Beacon Trusteeship IPO is INR 108.39 crore. Despite the IPO appearing fully priced based on FY24 earnings, the company holds a niche in its segment. It may consider investing for medium to long-term rewards given the company's bright prospects and the anticipated expansion of the security market. At the upper band of INR 60, the issue is valued at a P\E of 21x (Annualized) based of FY23 EPS of INR 2.9. We are recommending "Subscribe" for this issue.

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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