MainBoard IPO

IPO Report

BEACONCAPS

Asset Reconstruction Co.(India) Limited

Financial Services

Price Band: ₹132 to ₹139 per share
Bidding: 09 Sep to 11 Sep, 2026
Listing At: NSE, BSE
Listing Date: Sep 17, 2026

Details of the Issue

Lead Manager	IIFL Capital Services Ltd.
Registrar	MUFG Intime India Pvt. Ltd.

Promoters Holding (%)

Pre-Issue	89.68
Post-Issue	78.67

Offer Structure

QIB	Not more than 50%
Retail	Not less than 35%
NII	Not less than 15%
Offer for Sale	52,731,946 shares
Total Issue	₹732.97 Cr

Financial Summary (₹ in Millions)

Particular	FY'26	FY25	FY24
Revenue	7,216.92	5,817.57	6,058.24
PAT	3,516.88	3,295.08	3,304.63

Minimum Application

Category	Lots	Shares	Amount
Retail	1-13	107-1,391	₹14,873-₹1,93,349
S-HNI	14-67	1,498-7,169	₹2,08,222-₹9,96,491
B-HNI	68	7,276	₹10,11,364

Valuations

NAV(FY'26)	90.96
EPS(FY'26)	10.82
P/E(Pre Issue)	12.85

Promoters

Avenue India Resurgence Pte.Ltd. and State Bank of India.

Company Overview

Incorporated in 2002, Asset Reconstruction Company (India) Limited is an asset reconstruction company (ARC) engaged in acquiring stressed assets from banks and financial institutions and implementing resolution strategies to maximize recoveries and optimize asset value. The company received its RBI registration in August 2003 to undertake securitisation and asset reconstruction activities and is recognised as the first ARC incorporated in India.

Object of the Issue

- Offer for sale: ₹7,329.70 Millions

Price Band Analysis

At the upper price band of ₹139, Asset Reconstruction Company (India) Limited is valued at a post-issue P/E of 12.84x and P/B of 1.53x, indicating a reasonable valuation. The valuation appears attractive considering the company's strong profitability, established position as an ARC.

Risk Measures:

- Intensifying competition from private ARCs and NARCL, along with SSAF as an alternative resolution framework, could pressure asset sourcing and margins. The decline in corporate NPAs may further require a shift toward retail and MSME assets, potentially increasing sourcing challenges and execution risks.
- Revenues and profitability are dependent on the value and composition of AUM, while subjective stressed-asset valuations and acquisition decisions may impact returns. Business seasonality and fluctuations in fair value adjustments could further lead to significant quarter-to-quarter volatility in earnings.

Investment Rationale:

- As India's first ARC, incorporated in 2002, Arcil has built over two decades of industry experience and emerged as the second-largest private ARC, with a 12.6% market share and AUM of ₹1,68,525.70 million as of FY25.
- The IPO comprises entirely an OFS of up to 52,731,946 equity shares, with no proceeds accruing to Arcil. Hence, the issue will not provide fresh capital for asset acquisitions or business expansion, limiting its immediate balance-sheet benefits.
- Arcil has successfully shifted towards granular retail and SME assets amid declining corporate NPAs, with Retail AUM growing at a 56.30% CAGR from ₹19,422.96 million in FY24 to ₹47,447.61 million in FY26, supporting portfolio diversification and growth.
- As of FY26, 34.94% of Arcil's AUM comprised assets beyond the RBI-prescribed 8-year realization window. While these legacy portfolios may involve longer and less predictable recovery timelines, their resolution could provide potential upside if recoveries exceed current expectations.

Financials (₹ in Millions, Except for Percentage & Ratios)

Particular	FY'26	FY25	FY24
Revenue From Operations	7,216.92	5,817.57	6,058.24
Total AUM	201,499.87	168,525.70	152,300.31
Company's share % of Total AUM	21.88	19.57	18.14
PAT	3,516.88	3,295.08	3,304.63
PAT Margin (%)	48.73	56.64	54.55
Return on Equity (RoE%)	12.52	12.95	14.15
Return on Total Assets (RoA%)	6.95	8.18	10.25
EPS	10.82	10.14	10.17
Debt to Equity	0.41	0.11	0.06

Service wise Revenue Bifurcation (₹ in Millions)

Particulars	FY'26	FY25	FY24
Corporate loans	138,527.61	127,200.05	119,564.02
SME and Other loans	15,524.65	13,846.85	13,313.33
Retail loans	47,447.61	27,478.80	19,422.96
Total	**201,499.87**	**168,525.7**	**152,300.31**

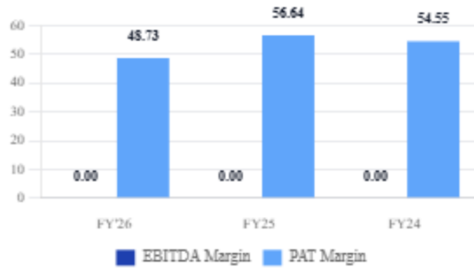
About The Founder

Narayanan Subramaniam serves as the Chairman and Non-Executive Independent Director of the Company. He holds a B.Sc. from the University of Madras and a PGDM from IIM Ahmedabad, and is a qualified member of ICAI, ICSI and ICMAI. He brings over three decades of experience across private equity, investment management, banking, accounting and finance, with expertise in risk management, corporate governance, strategy, MIS, HR, taxation and compliance.

FINANCIAL HIGHLIGHTS

Return Ratios

PAT Margin



Key Ratios: