Asset Reconstruction Co. (India) Limited

8th September, 2026

IPO Details

IPO Date	9th to 11th Sep, 2026
Face Value	₹10 per share
Price Band	₹132 to ₹139
Lot Size	107 Shares
Sale Type	Offer for Sale only
Total Issue Size	5,27,31,946 shares (agg. up to ₹733 Cr)
Offer for Sale	5,27,31,946 shares of ₹10 (agg. up to ₹733 Cr)
Issue Type	Book building IPO
Listing At	BSE, NSE
Shareholding pre issue	32,48,97,140 shares
Share Holding Post Issue	32,48,97,140 shares
QIB Shares Offered	Not more than 50% of the Offer
Retail Shares Offered	Not less than 35% of the Offer
NII (HNI) Shares Offered	Not less than 15% of the Offer
Retail (Min & Max) shares	107 Shares & 1,391 shares
Retail (Min & Max) application amount	₹14,873 & ₹1,93,349
S-HNI (Min shares & application amount)	1,498 shares & ₹2,08,222
S-HNI (Max shares & application amount)	7,169 shares & ₹9,96,491
B-HNI (Min shares & application amount)	7,276 shares & ₹10,11,364
Basis of Allotment	Tue, Sep 15, 2026
Initiation of Refunds	Wed, Sep 16, 2026
Credit of Shares to Demat	Wed, Sep 16, 2026
Listing Date	Thu, Sep 17, 2026
Cut-off time for UPI mandate confirmation	5 PM on Fri, Sep 11, 2026
Promoters	Avenue India Resurgence Pte. Ltd. and State Bank of India
Registrar	MUFG Intime India Pvt. Ltd.

Note 1: Application made using third party UPI or ASBA A/C is liable to be rejected. For apply please click on the Link https://ipo.adroitfinancial.com/ for any kind of assistance please contact to our helpdesk team at 0120-6826800 or mail us on ipo@adroitfinancial.com

Company Profile

Established in 2002 and headquartered in Mumbai, Maharashtra, Asset Reconstruction Co. (India) Limited (Arcil) was India's first Asset Reconstruction Company (ARC) to obtain its certificate of registration from the RBI in August 2003, specializing in the acquisition and resolution of stressed financial assets across its Corporate Loans, SME and Retail loans business verticals. The Company is the second largest ARC in India by AUM and net worth among private ARCs, with a Total AUM of ₹20,149.99 Cr and Company's share in Total AUM of ₹4,408.59 Cr (21.88%) as of March 31, 2026. Arcil operates through a network of 13 offices across 12 states, supported by over 200 registered valuers and 200 collection agents, and is led by Chief Executive Officer and Managing Director Phanindranath Kakarla, under Promoters Avenue India Resurgence Pte. Ltd. and State Bank of India.

Objects of the Issue

- ❑ Offer for Sale - ₹733.00 Cr

Financial Details

Particulars (Amount in Crores)	31-Mar-26	31-Mar-25	31-Mar-24
Revenue from Operations	721.69	581.76	605.82
Other income	28.22	26.08	3.67
Total Income	**749.92**	**607.84**	**609.49**
Expenses			
- Impairment of Financial Instruments	5.78	2.85	1.94
- Employee Benefits Expense	63.59	60.94	55.66
- Write-off of Security Receipts/Unrealized Fee & Expenses	86.81	36.71	49.26
- Other Expenses	89.96	61.54	78.58
Total expenses	**246.14**	**162.04**	**185.44**
EBITDA	**475.55**	**419.72**	**420.38**
EBITDA Margin (%)	**65.89%**	**72.15%**	**69.39%**
- Finance cost	36.18	12.49	7.37
- Depreciation and amortization	3.02	2.15	1.93
- Exceptional items	-	-	-
Profit/(Loss) before tax	**464.57**	**431.16**	**414.74**
Tax expense/(credit)	141.88	121.92	103.85
Profit/(Loss) After Tax	**322.69**	**309.24**	**310.89**
PAT Margin (%)	**44.71%**	**53.16%**	**51.32%**
Basic EPS (in Rs.)	**10.82**	**10.14**	**10.17**

Key Metrics	31-Mar-26	31-Mar-25	31-Mar-24
Total Acquisition for the year (Cr.)	5,958.80	3,975.87	2,068.98
Total AUM (Cr.)	20,149.98	16,852.57	15,230.03
Company’s share in Total AUM (Cr.)	4,408.58	3,298.30	2,763.38
Collection (or) Recovery for the year (Cr.)	3,484.39	3,882.65	3,678.14
Cumulative SR Redemption (Cr.)	22,400.02	19,761.91	17,538.59

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Competitive Strengths

- **India's First ARC with the Second Largest AUM** – Incorporated in 2002, the Company was the first ARC to be registered in India and is the second largest ARC in India by AUM, with a market share of 12.6% as of March 31, 2025, up from 11.6% as of March 31, 2023. The Company also had the second largest net worth and second highest capital adequacy ratio among private ARCs in India as of March 31, 2025 (Source: CRISIL Report).

- **Expertise in Acquiring Stressed Assets with Increasing Investment in SRs(Security Receipts)** – The Company has worked with 32 private sector banks, 28 public sector banks, 51 non-banking finance companies and 18 housing finance companies since inception, and its share of total investment in the security receipts for acquisitions undertaken during Fiscal 2026, Fiscal 2025 and Fiscal 2024 was 33.95%, 32.23% and 45.67%, respectively.

- **Ability to Implement Resolution Strategies and a Robust Collections Framework** – The Company operates a network of 13 offices across 12 states, supported by over 206 collection agents and 988 empanelled lawyers as of March 31, 2026, with collections of ₹3,484.39 Cr, ₹3,882.66 Cr and ₹3,678.15 Cr in Fiscal 2026, Fiscal 2025 and Fiscal 2024, respectively, and a Cumulative SR Redemption Ratio of 50.78% as of March 31, 2026.

- **Track Record of Consistent Financial and Operational Performance** – The Company's AUM grew from ₹15,230.03 Cr as of March 31, 2024 to ₹20,149.99 Cr as of March 31, 2026, with revenue from operations rising from ₹605.82 Cr to ₹721.69 Cr and profit after tax rising from ₹310.89 Cr to ₹322.69 Cr over the same period, reflecting a disciplined approach to profitable growth and resolution execution.

- **Experienced Board of Directors, Management Team and Marquee Investors** – The Company is led by Chief Executive Officer and Managing Director Phanindranath Kakarla and Chief Financial Officer Pramod Gupta, and is backed by marquee Promoters Avenue India Resurgence Pte. Ltd. (an affiliate of Avenue Capital Group), holding 69.73% of outstanding equity, and State Bank of India, holding 19.95%, as of the date of the Red Herring Prospectus.

Key Risk Factors

- **Regulatory and Compliance Risk** – The Company is subject to periodic RBI inspections, including two off-site assessments and one SARFAESI Act inspection in the last three Fiscals, with the RBI's inspection and risk assessment reports of February 2024 and August 2025 flagging supervisory concerns around policy deficiencies, KYC due diligence and internal audit scope. Any non-compliance with RBI's observations or directions could expose the Company to penalties, restrictions and reputational harm.

- **Business Vertical Concentration Risk** – The Company's Corporate Loans vertical represented 68.75%, 75.48% and 78.51% of its AUM as of March 31, 2026, March 31, 2025 and March 31, 2024, respectively. Any adverse factors affecting the corporate stressed assets segment could have a material adverse effect on the Company's business and results of operations.

- **Asset Recovery and Resolution Risk** – Gross recovery as a percentage of acquisition for the Company's top 10 portfolios stood at 35.19%, 38.88% and 26.70% in Fiscal 2026, Fiscal 2025 and Fiscal 2024, respectively, and the Company wrote off ₹71.96 Cr of security receipts in Fiscal 2026 (up from ₹4.95 Cr in Fiscal 2024). The Company's inability to recover outstanding amounts from stressed assets in a timely manner could adversely affect its business, results of operations and cash flows.

- **Capital Intensive Business and Funding Risk** – The Company's finance costs rose from ₹7.37 Cr in Fiscal 2024 to ₹36.18 Cr in Fiscal 2026, as its consolidated debt to equity ratio increased from 0.06x to 0.41x over the same period, reflecting growing reliance on external funding to acquire stressed assets. Any disruption in the Company's access to capital could adversely affect its ability to acquire new stressed assets and its results of operations.

Comparison with Listed Peers

Name of the Company	Market Price	Face Value (per Share)	P/E Ratio	EPS (Basic)	EPS (Diluted)	RoNW (%)	NAV (per Share)
Asset Reconstruction Co. (India) Limited	NA	10	13.98*	9.94	9.94	12.52%	90.96
No Listed Peers							

*P/E calculated based on upper band price.

Summary

As per the CRISIL Report commissioned in connection with the Offer, the total stress under the retail segment across banks and NBFCs increased from ₹3,469.5 billion in Fiscal 2020 to ₹6,964.0 billion in Fiscal 2025 at a CAGR of 12.3%, and retail credit in India grew at a CAGR of approximately 18% between Fiscal 2019 and Fiscal 2025, both underpinning continued growth in the pool of stressed assets available for acquisition by Asset Reconstruction Companies.

Established in 2002 and headquartered in Mumbai, Maharashtra, Asset Reconstruction Co. (India) Limited (Arcil) was India's first ARC and is the second largest ARC in India by AUM among private ARCs, with a market share of 12.6% as of March 31, 2025. Led by Promoters Avenue India Resurgence Pte. Ltd. and State Bank of India, the Company grew its Total AUM from ₹15,230.03 Cr as of March 31, 2024 to ₹20,149.99 Cr as of March 31, 2026, with revenue from operations of ₹721.69 Cr and profit after tax of ₹322.69 Cr in Fiscal 2026, and a Return on Average Equity and CRAR of 12.52% and 65.31%, respectively.

The Company is well positioned to benefit from the growing opportunity in India's stressed asset resolution ecosystem, supported by its position as India's first ARC and one of the largest players in the industry. Its established track record in identifying and acquiring stressed assets, domain expertise across resolution strategies, robust recovery and collections capabilities and relationships with banks and financial institutions provide it with a strong competitive position. The Company is further supported by an experienced management team and marquee institutional shareholders. It has demonstrated steady growth in Assets Under Management (AUM), revenue and profitability, while maintaining healthy return ratios and adequate capitalisation.

Going forward, growth is expected to be driven by continued opportunities for banks and financial institutions to monetise stressed exposures, increasing adoption of formal resolution mechanisms and the Company's ability to acquire and resolve assets across corporate and retail segments. Its established resolution platform, experience across multiple economic cycles and access to capital should support incremental asset acquisitions and collections. Further diversification of its AUM across asset classes and continued improvement in recoveries could provide additional growth opportunities over the medium term.

However, the business remains inherently dependent on the successful and timely resolution of stressed assets, with recovery timelines and values susceptible to delays in legal and insolvency proceedings, changes in underlying asset values and broader economic conditions. Concentration of AUM and revenue in the Corporate Loans vertical exposes the Company to performance in a relatively limited pool of large exposures, while competition for attractive stressed assets from other ARCs and alternative capital providers could affect acquisition yields and returns. The business also requires continued access to capital to fund new acquisitions and maintain growth.

Considering its established market position, resolution capabilities, financial track record and growth opportunities in India's stressed asset ecosystem, the Company offers reasonable visibility going forward.

Therefore, it is recommended to **"Subscribe"** to the IPO for long-term investment considering its growth potential and valuation.

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