IIFL CAPITAL	IDBI capital	JM FINANCIAL
IIFL Capital Services Limited (*formerly known as IIFL Securities Limited*) 24th Floor, One Lodha Place, Senapati Bapat Marg, Lower Parel (West), Mumbai 400 013, Maharashtra, India **Tel:** +91 22 4646 4728 **E-mail:** arcil.ipo@iiflcap.com **Website:** www.iiflcap.com **Investor Grievance Email:** ig.ib@iiflcap.com **SEBI Registration No:** INM000010940	**IDBI Capital Markets & Securities Limited** 6th Floor, IDBI Tower, WTC Complex Cuffe Parade, Mumbai –400 005, Maharashtra, India **Tel:** +91 22 4069 1953 **E-mail:** arcil.ipo@idbicapital.com **Website:** www.idbicapital.com **Investor Grievance E-mail:** redressal@idbicapital.com **SEBI Registration No.:** INM000010866	**JM Financial Limited** 7th Floor, Cnergy Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025 Maharashtra, India **Tel:** +91 22 6630 3030 **E-mail:** arcil.ipo@jmfl.com **Website:** www.jmfl.com **Investor Grievance E-mail:** grievance.ibd@jmfl.com **SEBI Registration No.:** INM000010361

August 1, 2025

Securities and Exchange Board of India
Corporation Finance Department
Division of Issues and Listing
SEBI Bhavan, Plot C4-A, G Block
Bandra Kurla Complex
Bandra (East)
Mumbai 400 051
Maharashtra, India

Dear Sir/ Madam,

Re: Proposed initial public offering of equity shares of face value of ₹ 10 each (the "Equity Shares") by Asset Reconstruction Company (India) Limited (the "Company" and such initial public offering, the "Offer"), comprising of an offer for sale of up to 105,463,892 Equity Shares by certain of its existing shareholders (the "Selling Shareholders")

The Company is proposing to undertake the Offer through the book building process in compliance with Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**"), for cash at such price as may be determined in accordance with the book building process prescribed under the SEBI ICDR Regulations ("**Book Building Process**"), by the Company and the Selling Shareholders, in consultation with the BRLMs (as defined below), pursuant to the SEBI ICDR Regulations, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**") read with Regulation 31 of the SEBI ICDR Regulations, the Companies Act, 2013, as amended ("**Companies Act, 2013**") and other applicable laws.

The Offer comprises of an offer for sale of up to 105,463,892 Equity Shares by the Selling Shareholders of the Company, the details of which are as set out below:

Name of the Selling Shareholder	Type of Selling Shareholder	Number of Equity Shares of face value of ₹10 each being offered
Avenue India Resurgence Pte. Ltd.	Promoter Selling Shareholder	Up to 68,739,034 Equity Shares
State Bank of India	Promoter Selling Shareholder	Up to 19,445,000 Equity Shares
Lathe Investment Pte. Ltd.	Investor Selling Shareholder	Up to 16,244,858 Equity Shares
The Federal Bank Limited	Other Selling Shareholder	Up to 1,035,000 Equity Shares

The Company has appointed IIFL Capital Services Limited (*formerly known as IIFL Securities Limited*), IDBI Capital Markets & Securities Limited and JM Financial Limited as the book running lead managers to manage the Offer (together, the "**Book Running Lead Managers**" or "**BRLMs**").

The draft red herring prospectus of the Company dated August 1, 2025, (the "**Draft Red Herring Prospectus**" or the "**DRHP**") in relation to the Offer is being filed for your consideration and observations. In connection with the filing of the DRHP with the Securities and Exchange Board of India ("**SEBI**"), please find enclosed the following:

1. The soft copy of the DRHP approved by the board of directors of the Company (the "**Board**") pursuant to the resolution dated August 1, 2025, in ".PDF" format (**Annexure I**) signed and executed by (i) the Board; (ii) the Chief Financial Officer of the Company, and (iii) each of the Selling Shareholders (through their authorized signatories), together with this letter and all annexures hereto, and has been uploaded on

the SEBI intermediary portal at https://siportal.sebi.gov.in, as specified in Regulation 25(8) of the SEBI ICDR

Regulations and as required pursuant to the SEBI master circular no. SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024 read with the SEBI directive dated October 14, 2022 issued to the Association of Investment Bankers of India ("**AIBI**") and has been filed with BSE Limited and National Stock Exchange of India Limited ("**Stock Exchanges**") in accordance with Regulation 25(3) of the SEBI ICDR Regulations along with the in-principle application in relation to Offer, in compliance with "Guidelines for filings of Draft Offer Documents" dated July 25, 2024 issued by the Stock Exchanges and Regulation 7(1)(a) of the SEBI ICDR Regulations.

Furthermore, three physical copies of the DRHP, and one physical copy of the DRHP signed and executed by the Board of Directors, the Chief Financial Officer of the Company and the Selling Shareholders, through their authorized signatories, as applicable, shall be filed with SEBI at Corporation Finance Department, Division of Issues and Listing, SEBI Bhavan, Plot C4-A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra, India.

2. A certificate from the BRLMs in accordance with Regulation 25(2)(a) of the SEBI ICDR Regulations confirming that the Company, the Selling Shareholders and the BRLMs have entered into an Offer Agreement dated August 1, 2025, (including the statement of *inter se* allocation of responsibilities of the BRLMs), in accordance with Regulations 23(5) and 25(2)(a) and the format specified in Schedule II of the SEBI ICDR Regulations (**Annexure II**);

3. A due diligence certificate dated August 1, 2025, signed by the BRLMs in accordance with Regulation 25(2)(b) of the SEBI ICDR Regulations (**Annexure III**), along with (i) a due diligence process note as required under Form A of Schedule V of the SEBI ICDR Regulations (**Annexure III A**); and (ii) a detailed checklist indicating regulation-wise compliance of the disclosures in the DRHP with the applicable provisions of the SEBI ICDR Regulations (**Annexure III B**);

4. The Company will make a payment towards DRHP filing fees equivalent to 0.1% of the estimated Offer size, along with goods and services tax basis the e-challan generated on the SEBI's intermediary portal towards DRHP filing fees as provided under Schedule III of the SEBI ICDR Regulations and the payment details will be subsequently intimated to SEBI. Details of the filing fees, along with goods and services tax paid, are provided in the table below:

Particulars	Amount (in ₹)
DRHP filing fee (0.10% of estimated Offer size)	1,99,40,000
GST (18%)	35,89,200
Total	**2,35,29,200**

As the Offer Price of Equity Shares will be determined through the Book Building Process, we are unable to ascertain the actual Offer size at this stage. Accordingly, this filing fee is based on an estimate of the amount proposed to be raised in the Offer, which is up to ₹ 19,940.00 million and the same should not be construed as the final Offer size for the purposes of Schedule XVI of the SEBI ICDR Regulations.

The GST details of the Company are as follows:

- *GST registration number:* 27AAECA3878M1Z5
- *Registered and Corporate Office address*: The Ruby, 10th Floor, 29 Senapati Bapat Marg, Dadar (West), Mumbai – 400 028, Maharashtra, India
- *GST registered dealer name*: Asset Reconstruction Company (India) Limited
- *GST registered office address*: The Ruby, 10th Floor, 29 Senapati Bapat Marg, Dadar (West), Mumbai – 400 028, Maharashtra, India

In connection with the Offer, please note the following:

A. *Confirmations and information in relation to the Company, its Subsidiaries, Group Companies, its Promoters and Promoter Group*

Set out below are the relevant confirmations and information in relation to the Company, its Subsidiaries, the

Group Companies, the Promoters and Promoter Group, in terms of the SEBI directive dated March 12, 2020, issued to the Association of Investment Bankers of India.

S. No.	Particulars	Response
1.	Whether the Company is registered with SEBI or any other financial regulatory body like RBI/IRDAI/ etc., in any capacity. If yes, provide details.	The Reserve Bank of India has granted to the Company a certificate of registration dated August 29, 2003, to commence/carry on the business of securitisation or asset reconstruction under the SARFAESI Act.
2.	List of Promoters / Promoter Group Companies / Group Companies / Subsidiaries registered with SEBI in any capacity along with registration details.	Except for State Bank of India ("**SBI**"), none of the Promoters are registered with SEBI, the details of which are set out below: (a) SBI is registered with SEBI as a registered stock broker in the currency derivative segment having registration no. INE261314236; (b) SBI is registered with SEBI as a registered stock broker in the currency derivative segment of BSE Limited having registration no. INE271308730; (c) SBI is registered with SEBI as a registered stock broker in the currency derivative segment of National Stock Exchange of India Limited having registration no. INE231308730; (d) SBI is registered with SEBI as a registered depository participant of Central Depository Services (India) Limited having registration no. IN-DP-CDSL-80-2000; (e) SBI is registered with SEBI as a registered depository participant of National Securities Depository Limited having registration no. IN-DP-NSDL-08-96; (f) SBI is registered with SEBI as a debenture trustee having registration no. IND000000016; and (g) SBI is registered with SEBI as a banker to issue having registration no. INBI00000038. Further, except for certain of the members of Promoter Group of SBI, none of the other members of Promoter Group of the Company are registered with SEBI, the details of which are set out below: (a) SBI-SG Global Securities Services Pvt. Ltd. is registered with SEBI as: (i) registered custodian having registration no. IN/CUS/022; (ii) registered stock brokers in commodity derivative segment; registered stock brokers in equity derivative segment; registered stock brokers in interest rate derivative segment having registration no. INZ000164039; and (iii) registered depository participants Central Depository Services (India) Limited and National Securities Depository Limited having registration no. IN-DP-691-2022. (b) SBI Funds Management Limited is registered with SEBI as a registered portfolio manager having registration no. INP000000852; (c) SBI Capital Markets Limited is registered with SEBI as: (i) research analyst bearing registration no. INH000007429; (ii) merchant banker bearing registration no. INM000003531; and

S. No.	Particulars	Response
		(iii) registered stock brokers in equity segment bearing registration no. INB030475037. (d) SBICAP Trustee Company Ltd. is registered with SEBI as debenture trustee having registration no. IND000000536; (e) Yes Bank Limited is registered with SEBI as: (i) registered stock brokers in currency derivative segment, registered stock brokers in interest rate derivative segment, registered stock brokers in equity derivative segment having registration no. INZ000263944; (ii) registered custodians having registration no. IN/CUS/025; (iii) registered depository participants Central Depository Services (India) Limited and National Securities Depository Limited having registration no. IN-DP-762-2024; (iv) banker to an issue having registration no. INBI00000935; and (v) merchant banker having registration no. INM000010874. (f) SBICAP Securities Ltd. is registered with SEBI as: (i) registered stock brokers in equity segment having registration no. INZ000200032: (ii) research analyst having registration no. INH000000602; and (iii) registered depository participants Central Depository Services (India) Limited and National Securities Depository Limited having registration no. INH000000602. Further, as on the date of the DRHP, the Company does not have any subsidiaries as defined under the Companies Act, 2013. For further details, please see, "*Annexure III A - Due Diligence Process Note – Subsidiaries and Associates of the Company*" below. Further, as on the date of the DRHP, the Company does not have any group companies.
3.	List of Promoters / Promoter Group companies/ Group Companies/ Subsidiaries registered with any other financial regulatory body like RBI/IRDAI/ etc., in any capacity along with registration details.	Except for SBI, one of the Promoters of the Company, which is incorporated as a banking institution as per The State Bank of India Act, 1955 with effect from July 1, 1955, none of the Promoters of the Company are registered with financial regulatory bodies. Further, except for certain of the members of Promoter Group of SBI, none of the other members of Promoter Group of the Company are registered with financial regulatory bodies, the details of which are set out below: (a) SBI Life Insurance Company Ltd. is registered with Insurance Regulatory and Development Authority of India as a registered life insurer having registration no. 111; (b) SBI Life Insurance Company Ltd. is registered with Pension Fund Regulatory and Development Authority as an annuity service provider having registration no. ASP/01/032016; (c) SBI Pension Funds Private Limited is registered with Pension Fund Regulatory and Development Authority as a registered pension fund having registration no. PFRDA/PF/2021/001; and (d) SBI General Insurance Company Limited is registered with Insurance Regulatory and Development Authority of India as a registered general insurer having registration no. 144. Further, as on the date of the DRHP, the Company does not have any subsidiaries as defined under the Companies Act, 2013. For further details, please see, "*Annexure III A - Due Diligence Process Note – Subsidiaries and Associates of the Company*" below. Further, as on the date of the DRHP, the Company does not have any group companies.
4.	If any debt securities of Company / Subsidiaries / Group Companies are listed. If yes, the following may be provided:	Not applicable As on the date of the DRHP, the debt securities of the Company are not listed on any of the stock exchanges.

S. No.	Particulars	Response
	a. Details of the debt securities listed along with the name of the exchange on which the same are listed. b. Whether disclosure pertaining to the same made in DRHP and relevant page no. and section in which disclosure made.	Further, as on the date of the DRHP, the Company does not have any subsidiaries as defined under the Companies Act, 2013. For further details, please see, "*Annexure III A - Due Diligence Process Note – Subsidiaries and Associates of the Company*" below. Further, as on the date of the DRHP, the Company does not have any group companies.

B. ***Confirmation in relation to fraudulent borrowers, wilful defaulters and fugitive economic offenders with respect to the Company, its Promoters and its Directors***

As per Regulation 5(1)(c) of the SEBI ICDR Regulations, the SEBI directive dated June 14, 2021 issued to the AIBI and based on the relevant confirmations received, the Company, its Promoters and its Directors have not been declared as 'Fraudulent Borrowers' or as 'Wilful Defaulters' as defined in the SEBI ICDR Regulations, or as 'Fugitive Economic Offenders' under section 12 of the Fugitive Economic Offenders Act, 2018 and Regulation 5(1)(d) of the SEBI ICDR Regulations, to the extent applicable. A negative confirmation in this respect has been included in the section titled "*Other Regulatory and Statutory Disclosures*" of the DRHP.

C. ***Para wise compliance with the (i) Securities and Exchange Board of India (Framework for Rejection of Draft Offer Documents) Order, 2012; (ii) Securities and Exchange Board of India (Issuing Observations on Draft Offer Documents Pending Regulatory Actions) Order, 2020; and (iii) Securities and Exchange Board of India (Prohibition on Raising Further Capital from Public and Transfer of Securities of Suspended Companies) Order, 2015***

The Company does not trigger any of the criteria mentioned in the Securities and Exchange Board of India (Framework for Rejection of Draft Offer Documents) Order, 2012, Securities and Exchange Board of India (Prohibition on Raising Further Capital from Public and Transfer of Securities of Suspended Companies) Order, 2015 and Securities and Exchange Board of India (Issuing Observations on Draft Offer Documents Pending Regulatory Actions) Order, 2020 as certified by J. Kala & Associates, Chartered Accountants, Independent Chartered Accountant, through their certificates, each dated August 1, 2025, which may result in rejection of the DRHP or prohibit raising further capital from the public.

Please note that a para-wise confirmation with respect to the non-applicability of each criteria specified under the SEBI (Framework for Rejection of Draft Offer Documents) Order, 2012 dated October 9, 2012 to the DRHP and/or the proposed Offer, is set forth in **Schedule I**. A para-wise confirmation with respect to the non-applicability of each criteria specified under the Securities and Exchange Board of India (Issuing Observations on Draft Offer Documents Pending Regulatory Actions) Order, 2020 dated February 5, 2020 to the DRHP and/or the proposed Offer, is set forth in **Schedule II**. Further, a para-wise confirmation with respect to the non-applicability of each criteria specified under the Securities and Exchange Board of India (Prohibition on Raising Further Capital from Public and Transfer of Securities of Suspended Companies) Order, 2015 dated July 20, 2015 to the DRHP and/or the Offer, is set forth in **Schedule III**.

D. ***Confirmation in relation to securities market violations by the Company, Group Companies, the Promoters and the Promoter Group***

In accordance with the requirements of the SEBI directive dated June 29, 2021, issued to the AIBI, based on confirmations received from the Company, each of its Promoters and Promoter Group, we submit that there are no securities market violations by the Company, the Promoters and the Promoter Group. Further, as on the date of the DRHP, the Company does not have any group companies.

E. ***Litigation disclosures involving one of the Promoters, SBI***

SBI, from time to time, is involved in various litigation proceedings in the ordinary course of its business. The number of proceedings and disputes in which SBI is involved is not unusual for a bank of their size in the context of doing business in India and in international markets. These legal proceedings involving SBI are primarily in the nature of, amongst others, civil suits, recovery proceedings initiated by them to recover pending dues from their customers against advances made by SBI, criminal cases filed by them in cases of dishonour of cheques or fraud cases, claims against SBI in relation to erroneous or unauthorised debit from customer accounts, wrongful credit or dishonour of cheques, criminal and labour-related proceedings against SBI, claims in relation to repossession of assets by SBI, proceedings initiated under the SARFAESI Act, consumer claims for deficiency in service, claims involving forgery of documents, alleged frauds, and criminal proceedings and tax matters. These legal proceedings may have been initiated by SBI or by its customers, regulators or other parties against SBI, and are pending at different levels of adjudication before various courts, tribunals, enquiry officers and appellate tribunals. Further, certain regulatory and statutory authorities such as the RBI, the banking ombudsman, various tax authorities and other authorities have, in the past, taken action and/or imposed penalties against SBI. These litigations do not have any material adverse effect on the business, prospects, performance, operations, financial position, reputation or cash flows of the Company.

Based on the certifications received from SBI, the Company has included disclosures in relation to the litigations involving SBI in accordance with the SEBI ICDR Regulations, subject to following modifications:

(a) *Criminal proceedings*

i. *Criminal proceedings initiated by SBI:* only criminal complaints initiated by SBI relating to dishonour of cheques under Section 138 of the Negotiable Instruments Act, 1881 are disclosed. Such disclosures are made in a consolidated manner as of January 15, 2025, including the number of such proceedings and the aggregate amount involved; and

ii. *Criminal proceedings against SBI:* A generic disclosure stating that as of the date of the DRHP, there are criminal proceedings against SBI, which are pending at different levels of adjudication before various courts, tribunals, enquiry officers and appellate tribunals.

(b) *Tax claims*: all outstanding claims related to direct and indirect taxes involving SBI as of March 31, 2025, are disclosed in a consolidated manner, including the number of such claims and the aggregate amount involved.

F. ***Minimum Promoters' Contribution and Lock-in of Equity Shares***

In accordance with Regulations 14 and 16 (1)(a) of the SEBI ICDR Regulations, an aggregate of at least 20% of the fully diluted post-Offer Equity Share capital of the Company held by the Promoters shall be considered as the minimum Promoters' contribution and will be locked-in for a period of eighteen months from the date of Allotment The Promoters' shareholding in excess of 20% shall be locked in for a period of six months from the date of Allotment. Further, the Equity Shares that will be locked-in are not ineligible for computation of the minimum Promoters' contribution in terms of Regulation 15 of the SEBI ICDR Regulations.

G. ***Dematerialisation status of Offered Shares***

All of the Equity Shares being offered in the Offer for Sale are in dematerialized form as on the date of filing of the DRHP. Further, in compliance with Regulation 7(1)(c) of the SEBI ICDR Regulations, all Equity Shares held by the Promoters are in dematerialised form.

H. ***Restated Financial Information***

The DRHP includes Restated Financial Information comprising of Restated Standalone Financial Information and Restated Consolidated Financial Information. The Restated Standalone Financial Information of the Company comprises of the restated standalone statement of assets and liabilities as at and for the financial year ended March 31, 2025, March 31, 2024 and March 31, 2023, the restated standalone statement of profit and loss (including other comprehensive income), the restated standalone statement of changes in equity and the restated standalone statement of cash flows for the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023 and the summary of material accounting policies and other explanatory notes of the Company, derived from the Audited Standalone Financial

Statements as at and for each of the financial year ended March 31, 2025, March 31, 2024 and March 31, 2023, each prepared in accordance with Ind AS and restated by the Company in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, relevant provisions of the SEBI ICDR Regulations, and the guidance note on reports on company prospectuses (Revised 2019) issued by the ICAI. Further, the Restated Consolidated Financial Information of the Company and subsidiaries comprises of the restated consolidated statement of assets and liabilities as at and for the financial year ended March 31, 2025, March 31, 2024 and March 31, 2023, the restated consolidated statement of profit and loss (including other comprehensive income), the restated consolidated statement of changes in equity and the restated consolidated statement of cash flows for the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023 and the summary of material accounting policies and other explanatory notes of the Company and subsidiaries, derived from the Audited Consolidated Financial Statements as at and for each of the financial year ended March 31, 2025, March 31, 2024 and March 31, 2023, each prepared in accordance with Ind AS and restated by the Company in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, relevant provisions of the SEBI ICDR Regulations, and the guidance note on reports on company prospectuses (Revised 2019) issued by the ICAI.

While preparing the Restated Consolidated Financial Information, the Company consolidated trusts in which the outstanding investment in security receipts is more than 25% as subsidiaries in accordance with Ind AS 110 and their accounting policies. The Company consolidated all the line items in relation to such trusts identified as subsidiaries including investment in security receipts, management fee recoverable from trusts, and other operating income, in accordance with applicable accounting standards. Trusts in which Company's outstanding investments in security receipts is between 20% and 25% are considered as associates in their Restated Consolidated Financial Information. For such trusts, the Company consolidated only the share of profit/loss of the associate in their Restated Consolidated Financial Information, in accordance with applicable accounting standards. For further details of these subsidiaries and associates, see "*History and Certain Corporate Matters - Our Subsidiaries*" and "*History and Certain Corporate Matters- Associates and Joint Ventures*" of the DRHP. The assets and liabilities of the trusts are legally distinct from Company's assets and liabilities and are held for the benefit of the security receipt holders.

I. ***Information in relation to SEBI directive dated November 13, 2021, and November 15, 2021, issued to the AIBI***

The details of the prices at which the Equity Shares were acquired in the last three years by each of the Promoters, the members of the Promoter Group, the Selling Shareholders and shareholders, who have a right to nominate directors or other special rights in the Company, have been disclosed in the DRHP in the section titled "*Offer Document Summary*" of the DRHP and these details have been certified by J. Kala & Associates, Chartered Accountants, (FRN: 118769W) Independent Chartered Accountant, by way of their certificate dated August 1, 2025.

Further, based on SEBI's directive to the AIBI dated November 15, 2021, and SEBI Master Circular no. SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024 details of weighted average cost of acquisition of all shares transacted over the last three years, 18 months and one year from the date of the DRHP are required to be disclosed in the price band advertisement and the abridged prospectus. This information has been disclosed in the DRHP, as applicable, in the section titled "*Offer Document Summary*" of the DRHP, certified by the Statutory Auditors by way of their certificate dated July 10, 2025. The disclosures in the DRHP will accordingly be suitably updated to reflect any such change at the time of filing of the Red Herring Prospectus, and in the price band advertisement and abridged prospectus for the Offer.

J. ***Confirmations required under additional confirmations and disclosure requirements by SEBI provided on May 29, 2024, and June 24, 2024***

Based on confirmations received from the Company, a checklist of the additional confirmations to be provided in terms of the SEBI directive dated May 29, 2024, read with SEBI's email directive dated June 24, 2024, to AIBI is attached as **Annexure IV.** We confirm that the additional confirmations and general observations shared by SEBI with us pursuant to e-mails dated May 29, 2024, and June 24, 2024, have been complied with to extent such confirmations/ observations were applicable to the Offer and the Company.

K. ***UPI Mechanism***

The Offer will be undertaken pursuant to the processes and procedures under UPI Phase III, subject to any circulars, clarification or notification issued by the SEBI from time to time and disclosures have been made in the DRHP to that effect.

L. ***Online access for DRHP and material documents for inspection***

In accordance with the provisions of the SEBI ICDR Regulations:

a) the DRHP will be uploaded on the website of the Company at https://www.arcil.co.in/about-us/corporate-governance

b) the Audited Standalone Financial Information and Audited Consolidated Financial Information of the Company are available on the website of the Company at www.arcil.co.in/about-us/corporate-governance.

c) the details pertaining to outstanding dues to the material creditors, along with names and amounts involved for each such material creditor are available on the website of the Company at www.arcil.co.in/about-us/corporate-governance.

d) Based on paragraph 18(3) of Schedule VI of the SEBI ICDR Regulations, the Company shall provide online access on the website of the Company to material contracts and material documents as listed in the section "***Material Contracts and Documents for Inspection***" of the DRHP. The Company has undertaken to make the documents available at the Registered and Corporate Office between 10 a.m. and 5 p.m. IST on all Working Days and shall be also available on the website of the Company at www.arcil.co.in from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date for inspection, in accordance with applicable law. (except for such agreements executed after the Bid/ Offer Closing Date).

M. ***Application to Stock Exchanges and appointment of Designated Stock Exchange***

The Company has filed the DRHP with the Stock Exchanges for obtaining their respective in-principle listing approvals. In compliance with and pursuant to the SEBI ICDR Regulations, the Company will finalise and appoint the 'Designated Stock Exchange' prior to filing the Red Herring Prospectus with the Registrar of Companies, Maharashtra at Mumbai.

N. ***Other confirmations***

The Company will obtain authentication on the SCORES in terms of the SEBI circular bearing number SEBI/HO/OIAE/IGRD/CIR/P/2023/156 dated September 20, 2023, in relation to redressal of investor grievances through SCORES.

Further, please note that the disclosures in the DRHP shall be suitably updated to reflect the Company's latest restated financial information and any other development, as may be necessary, at the time of filing of the Red Herring Prospectus with the RoC by the Company.

All capitalized terms used herein (including in the Annexures) and not specifically defined shall have the same meaning as ascribed to such terms in the DRHP.

Please feel free to contact any of the following persons from IIFL Capital Services Limited (*formerly known as IIFL Securities Limited*), if you require any information or clarification:

Contact Person	Telephone	E-mail
Nishita Mody	+91 98191 68798	nishita.mody@iiflcap.com
Pinak Rudra Bhattacharyya	+91 9967581555	pinak@iiflcap.com

We request you to kindly provide your observations on the DRHP. Should you require any further information from us, we would be pleased to furnish the same.

Thanking you.

Yours sincerely,

Enclosed: As above

The signature page forms an integral part of the letter to Securities and Exchange Board of India, in relation to the initial public offering of Asset Reconstruction Company (India) Limited

For IIFL Capital Services Limited (*formerly known as IIFL Securities Limited*)

Authorized Signatory
Name: Nishita Mody
Designation: Senior Vice President
Contact Number: +91 9819168798
Email: nishita.mody@iiflcap.com

The signature page forms an integral part of the letter to Securities and Exchange Board of India, in relation to the initial public offering of Asset Reconstruction Company (India) Limited

For IDBI Capital Markets & Securities Limited

Authorized Signatory
Name: Subodh Gandhi
Designation: Senior Vice President
Contact Number: +91 98196 05305
Email: subodh.gandhi@idbicapital.com

The signature page forms an integral part of the letter to Securities and Exchange Board of India, in relation to the initial public offering of Asset Reconstruction Company (India) Limited

For JM Financial Limited

Sambit Rath

JM Financial Limited Mumbai

Authorized Signatory
Name: Sambit Rath
Designation: Director
Contact Number: +91 22 6630 3030 / 3262
Email: Sambit.Rath@jmfl.com

Annexure I

DRHP dated August 1, 2025

[Annexed separately]

Annexure II

Date: August 1, 2025

Securities and Exchange Board of India
Corporation Finance Department
Division of Issues and Listing
SEBI Bhavan, Plot C4-A, G Block
Bandra Kurla Complex
Bandra (East)
Mumbai 400 051
Maharashtra, India

Dear Sir/ Madam,

Re: Proposed initial public offering of equity shares of face value of ₹ 10 each (the "Equity Shares") by Asset Reconstruction Company (India) Limited (the "Company" and such initial public offering, the "Offer"), comprising of an offer for sale of Equity Shares by certain of its existing shareholders (the "Selling Shareholders")

Pursuant to Regulation 25(2)(a) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**"), we hereby confirm that we have entered into an offer agreement dated August 1, 2025 (which includes, amongst others, the statement of *inter se* allocation of responsibilities of the Book Running Lead Managers) with the Company and the Selling Shareholders in connection with the Offer, in accordance with Regulation 23(5) and the format prescribed under Schedule II of the SEBI ICDR Regulations, as amended.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to such terms in the DRHP.

Yours sincerely,

Enclosed: As above.

[The remainder of this page has intentionally been left blank]

The signature page forms an integral part of the letter to Securities and Exchange Board of India, in relation to the initial public offering of Asset Reconstruction Company (India) Limited

For IIFL Capital Services Limited (*formerly known as IIFL Securities Limited*)

Authorized Signatory
Name: Nishita Mody
Designation: Senior Vice President
Contact Number: +91 9819168798
Email: nishita.mody@iiflcap.com

The signature page forms an integral part of the letter to Securities and Exchange Board of India, in relation to the initial public offering of Asset Reconstruction Company (India) Limited

For IDBI Capital Markets & Securities Limited

Authorized Signatory
Name: Subodh Gandhi
Designation: Senior Vice President
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The signature page forms an integral part of the letter to Securities and Exchange Board of India, in relation to the initial public offering of Asset Reconstruction Company (India) Limited

For JM Financial Limited

Sambit Rath

JM Financial Limited Mumbai

Authorized Signatory
Name: Sambit Rath
Designation: Director
Contact Number: +91 22 6630 3030 / 3262
Email: Sambit.Rath@jmfl.com

Annexure III

Date: August 1, 2025

Securities and Exchange Board of India
Corporation Finance Department
Division of Issues and Listing
SEBI Bhavan, Plot C4-A, G Block
Bandra Kurla Complex
Bandra (East)
Mumbai 400 051
Maharashtra, India

Dear Sir/ Madam,

Re: Proposed initial public offering of equity shares of face value of ₹ 10 each (the "Equity Shares") by Asset Reconstruction Company (India) Limited (the "Company" and such initial public offering, the "Offer"), comprising of an offer for sale of Equity Shares by certain of its existing shareholders (the "Selling Shareholders")

We, IIFL Capital Services Limited *(formerly known as IIFL Securities Limited)*, IDBI Capital Markets & Securities Limited and JM Financial Limited (together, the "**Book Running Lead Managers**" or the "**BRLMs**"), who have been appointed by the Company and the Selling Shareholders to manage the Offer, confirm as follows:

1. We have examined various documents including those relating to litigation, including commercial disputes, patent disputes, disputes with collaborators etc., and other material, as applicable, while finalising the draft red herring prospectus dated August 1, 2025 ("**DRHP**") pertaining to the Offer. **Complied with to the extent applicable**

2. On the basis of such examination and discussions with the Company, its Directors and other officers, other agencies, and independent verification of the statements concerning the objects of the Offer, price justification, contents of the documents and other papers furnished by the Company and the Selling Shareholders, we confirm that:

   (A) the DRHP filed with the Securities and Exchange Board of India ("**SEBI**") is in conformity with the documents, materials and papers which are material to the Offer **Complied with**;

   (B) all material legal requirements relating to the Offer as specified by SEBI, the Central Government and any other competent authority in this behalf have been duly complied with **Complied with**; and

   (C) the material disclosures made in the DRHP are true and adequate to enable the investors to make a well informed decision as to the investment in the proposed Offer and such disclosures are in accordance with the requirements of the Companies Act, 2013, as amended **("Companies Act, 2013")** the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "**SEBI ICDR Regulations**") and other applicable legal requirements. **Complied with**

3. Besides ourselves, all the intermediaries named in the DRHP are registered with SEBI and that till date such registration is valid. – **Complied with and noted for compliance. The registration of intermediaries registered with the SEBI are valid as on the date of the DRHP.**

4. We have satisfied ourselves about the capability of the Underwriters to fulfil their underwriting commitments. – **Noted for compliance**

5. Written consent from the Promoters have been obtained for inclusion of their Equity Shares as part of the promoters' contribution subject to lock-in and the Equity Shares proposed to form part of the promoter's contribution subject to lock-in shall not be disposed or sold or transferred by the Promoters during the period starting from the date of filing of the DRHP with the SEBI till the date of commencement of lock-in period as stated in the DRHP.– **Complied with and noted for compliance.**

6. All applicable provisions of the SEBI ICDR Regulations, which relates to Equity Shares ineligible for computation of promoters' contribution, have been and shall be duly complied with and appropriate disclosures as to compliance with the said regulation(s) have been made in the DRHP. **– <u>Complied with and noted for compliance</u>**

7. All applicable provisions of the SEBI ICDR Regulations which relate to receipt of promoter's contribution prior to opening of the Offer, shall be complied with. Arrangements have been made to ensure that promoters' contribution shall be received at least one day before the opening of the Offer and that the auditors' certificate to this effect shall be duly submitted to SEBI. We further confirm that arrangements have been made to ensure that promoters' contribution shall be kept in an escrow account with a scheduled commercial bank and shall be released to the company along with the proceeds of the Offer. – **<u>Noted for compliance, to the extent applicable.</u>**

8. Necessary arrangements shall be made to ensure that the monies received pursuant to the Offer are credited or transferred to in a separate bank account as per the provisions of sub-section (3) of section 40 of the Companies Act, 2013 and that such monies shall be released by the said bank only after permission is obtained from the Stock Exchanges, and that the agreement entered into between the Bankers to the Offer, the Company and the Selling Shareholders specifically contains this condition. **<u>Not applicable</u>**

9. The existing business as well as any new business of the Company for which the funds are being raised fall within the 'main objects' in the object clause of the Memorandum of Association or other charter of the Company and that the activities which have been carried in the last ten years are valid in terms of the object clause of the Memorandum of Association. – **<u>Complied with to the extent applicable</u>**

10. Following disclosures have been made in the DRHP:

    (a) An undertaking from the Company that at any given time, there shall be only one denomination for the Equity Shares of the Company, excluding SR equity shares, where the Company has outstanding SR equity shares – **<u>Complied with to the extent applicable and noted for compliance. The Company has not issued any SR equity shares.</u>**

    (b) An undertaking from the Company that it shall comply with all disclosure and accounting norms specified by the SEBI. – **<u>Complied with to the extent applicable and noted for compliance</u>**

11. We shall comply with the regulations pertaining to advertisements in terms of the SEBI ICDR Regulations. – **<u>Noted for compliance</u>**

12. If applicable, the entity is eligible to list on the innovators growth platform in terms of the provisions of Chapter X of the SEBI ICDR Regulations. – **<u>Not Applicable</u>**

We enclose in **<u>Annexure III-A</u>**, a note explaining the process of due diligence that has been exercised by the BRLMs including in relation to the business of the Company, the risks in relation to the business, experience of the Promoters and that the related party transactions entered into for the period disclosed in the DRHP have been entered into by the Company in accordance with applicable laws. **<u>Complied with to the extent applicable. Please refer to the Due Diligence Process Note enclosed as Annexure III-A to this certificate.</u>**

We enclose in **<u>Annexure III-B</u>**, a checklist confirming regulation-wise compliance with the applicable provisions of the SEBI ICDR Regulations, containing details such as the regulation number, its text, the status of compliance, page number of the DRHP where the regulation has been complied with and our comments, if any. **<u>Complied with. Please refer to Annexure III-B to this certificate.</u>**

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to such terms in the DRHP.

Yours sincerely,

Enclosed: As above.

The signature page forms an integral part of the letter to Securities and Exchange Board of India, in relation to the initial public offering of Asset Reconstruction Company (India) Limited

For IIFL Capital Services Limited (*formerly known as IIFL Securities Limited*)

Authorized Signatory
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Email: nishita.mody@iiflcap.com

The signature page forms an integral part of the letter to Securities and Exchange Board of India, in relation to the initial public offering of Asset Reconstruction Company (India) Limited

For IDBI Capital Markets & Securities Limited

Authorized Signatory
Name: Subodh Gandhi
Designation: Senior Vice President
Contact Number: +91 98196 05305
Email: subodh.gandhi@idbicapital.com

IIFL CAPITAL	IDBI capital	JM FINANCIAL

The signature page forms an integral part of the letter to Securities and Exchange Board of India, in relation to the initial public offering of Asset Reconstruction Company (India) Limited

For JM Financial Limited

Sambit Rath

JM Financial Limited Mumbai

Authorized Signatory
Name: Sambit Rath
Designation: Director
Contact Number: +91 22 6630 3030 / 3262
Email: Sambit.Rath@jmfl.com

<u>Annexure III A</u>

Due Diligence Process Note

In connection with the draft red herring prospectus dated August 1, 2025 ("**DRHP**"), we, the BRLMs, have carried out a due diligence exercise on the Company in relation to the current business of the Company and its background, for the purposes of complying with the requirements of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**") and other applicable laws, and to the extent that it is customary for initial public offerings of this nature in India, along with other professionals and experts engaged in this Offer.

All capitalized terms used herein and not specifically defined shall have the same meanings ascribed to such terms in the DRHP.

The due diligence process carried out by us and the Legal Counsels (*as defined hereinafter*) commenced with attending the kick-off meeting and physical and verbal interactions with the representatives of the Company, Promoters, Directors, Key Managerial Personnel and members of the Senior Management of the Company to gain an understanding, amongst other matters, of the business of the Company, key risks involved and financial overview of the Company. In this regard, the Company was provided with a due diligence questionnaire and information requisition lists prepared in consultation with the Legal Counsels (*defined below*). In response to the questionnaire and the requisition lists, the Company provided supporting documents for review and diligence and gave clarifications and explanations for queries raised. In order to facilitate such review, the Company set up an online data room where copies of such relevant documents were made available for undertaking the due diligence.

In connection with the Offer, Trilegal has been appointed as legal counsel to the Company as to Indian law, Cyril Amarchand Mangaldas has been appointed as legal counsel to the BRLMs as to Indian law and Hogan Lovells Lee & Lee has been appointed as international legal counsel to the BRLMs (collectively, "**Legal Counsels**"). The Legal Counsels have assisted in carrying out the due diligence and drafting of the DRHP in compliance with the SEBI ICDR Regulations and other applicable laws and advising the Company and the BRLMs, in relation to the Offer, including for the purpose of issuing legal opinions in relation to the Offer to the BRLMs, as applicable.

The BRLMs were also assisted by the following for carrying out financial due diligence of the Company and for certain other matters:

(iv) the current statutory auditors of the Company, namely M S K A & Associates, Chartered Accountants ("**Statutory Auditors**") who have audited the standalone and consolidated financial statements of the Company as of and for the financial year ended March 31, 2025, and prepared the restated standalone financial information for the financial years ended March 31, 2025, 2024 and 2023 ("**Restated Standalone Financial Information**") and restated consolidated financial information for the financial years ended March 31, 2025, 2024 and 2023 ("**Restated Consolidated Financial Information**"). The Statutory Auditors have reviewed certain matters and provided an examination reports each dated ~~August~~ July 31, 2025, in relation to the Restated Standalone Financial Information and the Restated Consolidated Financial Information; and

(v) the previous statutory auditors of the Company, namely M/s K S Aiyar & Co, Chartered Accountants ("**Previous Auditor**") who have audited the financial statements of the Company as of and for the financial years ended March 31, 2024, and March 31, 2023.

Further, the Company has also appointed J. Kala & Associates, Chartered Accountants as independent chartered accountants specifically for the purpose of the Offer ("**Independent Chartered Accountants**") and has, inter-alia, verified and provided certifications with respect to:

(a) certain financial and operational information included in the DRHP, including, without limitation, key performance indicators included in the "*Basis for Offer Price*", "*Our Business*" and "*Selected Statistical Information*" section of the DRHP and other operational information about the Company;

(b) average cost of acquisition of Equity Shares acquired by the Promoters and the Selling Shareholders, the;

(c) ARCIL Employee Stock Option Scheme 2025 being in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(d) financial indebtedness of the Company as on March 31, 2025;

(e) details of any amounts outstanding to micro, small and medium enterprises, and material creditors and other creditors of the Company and provided circle-ups confirming the accuracy of such information.

The Independent Chartered Accountants have also confirmed to us that all related party transactions mentioned for the periods disclosed in the DRHP have been entered into by the Company in accordance with applicable laws, on an arm's length basis.

In addition, the Company obtained a report on the statement of special tax benefits dated August 1, 2025, from the Statutory Auditors in relation to the possible tax benefits available to the Company and its shareholders.

As on the date of the DRHP, the Statutory Auditors, the Previous Auditors and the Independent Chartered Accountants each hold a valid peer review certificate, based on representations made by each of them.

In addition, we were also assisted by Khanna & Co., an independent practising company secretary ("**Independent PCS**"), who verified and provided certifications, including without limitation, in relation to compliance with Companies Act, 2013 and SEBI LODR Regulations by the Company, in relation to issuance of securities by the Company since its incorporation, compliance of the ARCIL Employee Stock Option Scheme 2025 with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended, the Company having a structural digital database in place and prepared a report dated August 1, 2025, for the untraceable secretarial records and filings made by the Company.

The Statutory Auditors, Previous Auditor, Independent Chartered Accountants and Independent PCS have consented to be named as experts, in terms of the Companies Act, 2013, as amended, in the DRHP and such consent has not been withdrawn as at the date of filing of the DRHP with the SEBI.

The Company has also placed reliance on the industry report titled '*Analysis of Asset Reconstruction Industry in India*' dated July 2025 prepared by CRISIL Intelligence (*formerly known as CRISIL Market Intelligence & Analytics*) ("**CRISIL**") exclusively commissioned and paid for by the Company pursuant to an engagement letter dated March 11, 2025 in connection with the Offer, (the "**CRISIL Report**"), for disclosures in relation to industry information in the DRHP. A copy of the CRISIL Report will be available on the website of the Company from the date of the Red Herring Prospectus until the Bid/Offer Closing Date. Further, the Company has received a written consent from CRISIL dated July 29, 2025, to include the CRISIL Report in the DRHP.

1. ***Business and Commercial Diligence***

The due diligence process in relation to general business and commercial matters included:

(a) Organizing and attending physical and virtual kick-off discussion with the representatives of the Company, its Promoters, Key Managerial Personnel and Senior Management to develop an understanding of the business, industry overview, history, the regulatory environment, and other matters of the Company. A broad overview of the business of the Company, the industry in which it operates, regulatory framework with respect to the business, the corporate structure, the capital structure, financial statements, its shareholding pattern were presented to us, followed by detailed interactive discussions;

(b) Regularly interacting with the management of the Company, including the Promoters, Directors, Key Managerial Personnel, senior personnel from the business, secretarial, legal and finance departments, for the purpose of understanding the business, the risks involved and the financial overview of the Company, amongst other matters. The Statutory Auditors and Independent Chartered Accountants had also participated in some of these discussions. These interactions included (i) drafting sessions and conference calls to discuss the disclosures in the DRHP; (ii) due diligence calls and seeking appropriate clarification with the Statutory Auditors, Previous Auditors, Independent Chartered Accountants; (iii) due diligence calls with CRISIL; (iv) due diligence calls with the management to receive updated information from the Company before filing the DRHP; (v) seeking appropriate certifications from and in relation to the Company, its Directors, Promoters, Key Managerial Personnel and the Senior Management. These interactions were conducted with the objective to assist the Company to prepare disclosures in the DRHP as required under the SEBI ICDR Regulations, and other applicable laws with regard to the Offer. The BRLMs shall undertake these interactions and due diligence calls until the Allotment of Equity Shares in the Offer. Accordingly, disclosures in respect of the business carried out by the Company as well as associated risks in relation thereto, have been made in the sections titled "***Our Business***" and "***Risk Factors***" in the DRHP. We expect these interactions and due diligence calls to continue until completion of the Offer;

(c) Interactions with the representatives of the Selling Shareholders to prepare disclosures in the DRHP in relation to the Selling Shareholders and the Offered Shares, and obtaining certifications in this regard;

(d) Requesting the Company to make available the due diligence documents, including in the virtual data room and reviewing those documents along with the Legal Counsels, based on the disclosure requirements under the SEBI ICDR Regulations, SEBI directives and other applicable laws, and reviewing those documents along with the Legal Counsels, to comply with the diligence requirements as stipulated under the SEBI ICDR Regulations, and the other applicable laws, as is customary in such transactions;

(e) Undertook site visits as part of our due diligence exercise which included visits to the Company's registered and corporate office in Mumbai, Maharashtra and the Company's data centre in Navi Mumbai. We interacted with the Company's management and employees at their Registered and Corporate Office. The site visits were carried out for our due diligence exercise to understand the Company's day-to-day operations and key business processes;

(f) Obtaining and relying on certificates and reports from and in relation to the Company, Directors, Promoters, Selling Shareholders, Key Managerial Personnel, Senior Management, the Statutory Auditors, Independent Chartered Accountants and Independent PCS, in support of certain disclosures included in the DRHP;

(g) Interacting with the industry consultant, CRISIL and assisting the Company in obtaining the CRISIL Report, exclusively commissioned and paid for by the Company in connection with the Offer for the purposes of confirming the Company's understanding of the industry in which it operates. Further, necessary consent was obtained from CRISIL to disclose the contents of the CRISIL Report in the DRHP;

(h) Obtaining circle-ups and certificates, as applicable, from (i) the Statutory Auditors and Previous Auditors in accordance with the SEBI ICDR Regulations; and (ii) the Independent Chartered Accountants, on certain key performance indicators, operational data and certain financial related information included in the DRHP;

(i) Reviewing, together with the Legal Counsels, material agreements executed by, or in relation to, the Company and such other documents as we have deemed necessary and as have been provided to us by the Company, from time to time;

(j) Obtaining reports on the statement of special tax benefits in respect of the Company and its shareholders;

(k) Obtaining certificate from the Independent PCS, on, among others, compliance with Companies Act, 2013 in relation to issuance of securities since incorporation of the Company compliance of the ARCIL Employee Stock Option Scheme 2025 with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended, the Company having a structural digital database in place; and

(l) Obtaining and relying on formal representations and undertakings from the Company in the Offer Agreement.

2. ***Key Performance Indicators***

Suitable disclosures have been made in line with the SEBI ICDR Regulations and in line with the requirements under the SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/28 dated February 28, 2025, in relation to key performance indicators of the Company in the section titled "***Basis for Offer Price***" and other relevant sections in the DRHP. Further, such key performance indicators were approved by the Audit Committee of the Company pursuant to its resolution dated August 1, 2025. The Company shall continue to disclose such key performance indicators, on a periodic basis, at least once in a year (or for any lesser period as determined by the Company), in accordance with the SEBI ICDR Regulations. Such key performance indicators disclosed by the Company shall continue to be certified in accordance with the SEBI ICDR Regulations. The certificate dated August 1, 2025, issued by the Independent Chartered Accountants, in relation to the KPIs is included in the section "***Material Contracts and Documents for Inspection***" of the DRHP and will be available for public inspection from the date of filing of the RHP with the RoC until the Bid/Offer Closing Date.

3. ***Financial Information of the Company and Financial Indebtedness***

Due diligence was conducted on financial matters, which included virtual meetings and due diligence calls with the Statutory Auditors, Previous Auditor, the Independent Chartered Accountants and discussions with the finance department of the Company. The Statutory Auditors have provided the examination reports on the Restated Standalone Financial Information and Restated Consolidated Financial Information of the Company which were prepared in accordance with the Companies Act, 2013, and restated in accordance with the SEBI ICDR Regulations, Companies Act, 2013 and the Guidance Note on Reports in Company Prospectuses (Revised) 2019 issued by the Institute of Chartered Accountants of India as of and for the Financial Years ended March 31, 2025, March 31, 2024 and March 31, 2023.

In addition, all related party transactions have been disclosed in the manner required under Ind AS 24, as applicable, in the Restated Standalone Financial Information and Restated Consolidated Financial Information of the Company included in the DRHP. Additionally, reliance was also placed on *inter alia* the certificate issued by Statutory Auditors on the computation of the Company's net worth, pre-tax operating profit, net tangible assets and monetary assets, each on a restated basis, to assess eligibility of the Company to undertake the Offer under Regulation 6(1) of the SEBI ICDR Regulations and for compliance with the applicable corporate governance requirements by the Company.

Further, the Statutory Auditors were required to review the financial information relating to the Company in the DRHP and has delivered a customary comfort letter and circle-ups to the BRLMs. Such comfort letter will be issued and/or brought down at certain future dates as the Offer progresses, by the Statutory Auditors, including on the filing of the RHP, the Prospectus and the Allotment of Equity Shares in the Offer.

For the purposes of the DRHP, we, along with the Legal Counsels, have conducted a due diligence exercise of all outstanding financial indebtedness of the Company, and such information has been disclosed in a summarised form in the DRHP. In this connection, the relevant sanction letters issued by the lenders as well as other financing related documents have been reviewed. Necessary intimations to lenders, wherever applicable, regarding the Offer, including corporate actions required in relation to the Offer, have been sought. We have also relied on a certification from the Independent Chartered Accountants in connection with the Company's financial indebtedness, ascertaining the amount of outstanding borrowings of the Company as of March 31, 2025, which is disclosed in the section titled '***Financial Indebtedness***' of the DRHP.

In accordance with the SEBI ICDR Regulations, the Audited Standalone Financial Information and Audited Consolidated Financial Information of the Company for the Financial Years ended March 31, 2025, March 31, 2024, and March 31, 2023 together with all the annexures, schedules and notes thereto, are available on the website of the Company at www.arcil.co.in/about-us/corporate-governance.

4. ***Outstanding Litigation Proceedings and Material Creditors***

The Company has disclosed outstanding litigation involving the Company, its Promoters, its Directors, and entities considered as subsidiaries in the Restated Consolidated Financial Information, to the extent applicable, on the basis of the legal requirements under the SEBI ICDR Regulations. Disclosures on outstanding litigation and material creditors have been made as per the materiality policy in the '***Outstanding Litigation and Material Developments***' section of the DRHP.

The Company has disclosed the following outstanding litigation involving the Company, its Subsidiaries, its Promoters, its Directors, its Key Managerial Personnel and its Senior Management ("**Relevant Parties**") as applicable, in accordance with the requirements under SEBI ICDR Regulations: outstanding (i) criminal proceedings (including matters which are at first information report stage, even if no cognizance has been taken by any court or judicial authority), excluding SBI; (ii) outstanding actions by regulatory authorities and statutory authorities (including any judicial, quasi-judicial, administrative authorities or enforcement authorities), including notices by such authorities; (iii) outstanding claims related to direct and indirect taxes, in a consolidated manner, giving the number of cases and total amount, provided that if the amount involved in any such claims exceeds the materiality threshold, such matters are disclosed on an individual basis, excluding SBI; (iv) other pending litigation as determined to be material as per the materiality policy adopted pursuant to the Board resolution dated August 1, 2025, ("**Materiality Thresholds**"); and (v) disciplinary actions including penalties imposed by SEBI or stock exchanges against the Promoters in the five financial years preceding the date of the DRHP, including any outstanding action.

In terms of the Materiality Thresholds for the Relevant Parties (excluding SBI), as applicable, for the purpose of (iv) above the following were considered material:

(i) the value or expected impact in terms of value of the litigation by or against the Relevant Parties (excluding SBI) in any such pending proceeding, to the extent quantifiable, is in excess of a) two percent of turnover, for the most recent financial year as per the Restated Consolidated Financial Information, being ₹121.57 million; or (b) two percent of net worth, as at the end of the most recent financial year as per the Restated Consolidated Financial Information, being ₹532.63 million; or (c) five (5) percent of the average of absolute value of profit or loss after tax of the Company on a consolidated basis, as per the last three financial years Restated Consolidated Financial Information, i.e. financial years 2023, 2024 and 2025, being ₹154.01 million included in the DRHP, whichever is lower being ₹121.57 million ("**Company Monetary Threshold**");

(ii) such pending matters where the value or expected impact in terms of value of the litigation are not quantifiable or do not exceed the Company Monetary Threshold, involving the Relevant Parties (excluding SBI), whose outcome, in the opinion of the Board, would materially and adversely affect the Company's business, prospects, performance, operations, financial position, reputation or cash flows; and

(iii) such pending matters where the decision in one matter is likely to affect the decision in similar matters, such that the cumulative value or expected impact in terms of value of such matters exceeds the Company Monetary Threshold, even though the value or expected impact in terms of value of an individual matter may not exceed the Company Monetary Threshold.

In relation to any other pending litigation, as mentioned in (iv) above, involving SBI, the following would be considered 'material' for the purpose of disclosure in the Offer Documents, if:

(i) the value or expected impact in terms of value of the litigation by or against the SBI in any such pending proceeding, to the extent quantifiable, is in excess of a) two percent of turnover, for the most recent financial year as per the audited consolidated financial information of SBI, being ₹132,668.66 million; or (b) two percent of net worth, as at the end of the most recent financial year as per the audited consolidated financial information of SBI, being ₹ 86,172.69 million; or (c) five (5) percent of the average of absolute value of profit or loss after tax of SBI on a consolidated basis, as per the last three financial years audited consolidated financial information, i.e. financial years 2023, 2024 and 2025, being ₹ 33,382.36 million included in the Offer Documents, whichever is lower being ₹ 33,382.36 million ("**SBI Monetary Threshold**");

(ii) such pending matters where the value or expected impact in terms of value of the litigation are not quantifiable or do not exceed the SBI Monetary Threshold, involving SBI, whose outcome, in the opinion of the Board, would materially and adversely affect the SBI's or the Company's business, prospects, performance, operations, financial position, reputation or cash flows; or

(iii) such pending matters where the decision in one matter is likely to affect the decision in similar matters, such that the cumulative value or expected impact in terms of value of such matters exceeds the SBI Monetary Threshold, even though the value or expected impact in terms of value of an individual matter may not exceed the SBI Monetary Threshold.

For the purposes of the above, pre-litigation notices received by the Relevant Parties from third parties (excluding those notices issued by governmental, statutory, regulatory, judicial, quasi-judicial or taxation authorities, FIRs including FIRs where no cognizance has been taken by court) shall, in any event, not be considered as litigation and evaluated for materiality, until such time that Relevant Parties are impleaded as defendants in litigation proceedings before any judicial/quasi-judicial/arbitral forum or unless decided otherwise by the board of directors of the Company.

For details of litigations involving SBI based on the materiality policy adopted pursuant to the Board resolution dated August 1, 2025, please see, "*E. Litigation disclosures involving one of the Promoters, SBI*" above.

Further, the Board in its meeting held on August 1, 2025, has approved thresholds for materiality for identification of material outstanding dues to creditors. In terms of the thresholds, outstanding dues to any creditor of the Company having a monetary value which exceeds 5% of the total trade payables of the Company as per the Restated Consolidated Financial Information of the Company as of March 31, 2025, have been considered as 'material'. Accordingly, as of March 31, 2025, any outstanding dues exceeding ₹ 0.93 million million have been considered as material outstanding dues.

The Company provided a list of outstanding litigation involving the Company and supporting documents for material proceedings involving the Company. Further, we interacted with the relevant representatives of the Company to understand the status of various pending proceedings involving the Company. In relation to the litigation involving the Promoters, Directors Key Managerial Personnel and Senior Management, relevant certificates have been received, solely based on which appropriate disclosures, wherever applicable, in relation to litigation proceedings involving them have been included in the DRHP. Further, we have had discussions with the management of the Company on the status of pending cases involving the Company. With respect to taxation proceedings involving the Company, reliance has been placed on a list provided by the Company and the certificate dated August 1, 2025, issued by the Independent Chartered Accountants in this regard.

5. ***Subsidiaries and Associates***

The Company does not have any subsidiaries as defined under the Companies Act, 2013. However, in accordance with Ind AS 110 and the accounting policies of the Company, the trusts where the Company's outstanding investment in security receipts is more than 25%, have been considered as subsidiaries in the Restated Consolidated Financial Information. Such trusts are set up by the Company for the purposes of acquisition and securitization of financial assets. The names of these Subsidiaries and the details of their litigations in terms of the materiality policy are disclosed in the DRHP. Similarly, the Company does not have any associates as defined under the Companies Act, 2013. However, in accordance with Ind AS 110 and our accounting policies, the following trusts, where the Company's outstanding investments in security receipts in trusts is between 20%-25%, have been considered as associates in the Restated Consolidated Financial Information.

6. ***Disclosures pertaining to Promoters, Promoter Group, Selling Shareholders, Directors, Key Managerial Personnel and Senior Management***

For the purposes of making certain disclosures with respect to the Promoters, Promoter Group, Selling Shareholders, Directors, Key Managerial Personnel and Senior Management, in the DRHP, supporting documents, consents and certifications, as applicable, from the relevant entities/ persons have been obtained.

For the purposes of disclosure of the educational qualifications and professional experience of Directors, Key Managerial Personnel and Senior Management of the Company, reliance was placed on relevant transcripts, degree certificates, experience certificates, HR certificate and appointment letters issued by previous and current employers and other back-up documents in addition to certification received from the relevant Promoters, Directors, Key Managerial Personnel and Senior Management. We have also carried out public domain search including on the websites of TransUnion CIBIL Limited (www.suit.cibil.com) and watchout investors for the Company, its Promoters, Promoter Group, Directors, Key Managerial Personnel and Senior Management and have obtained written confirmations from relevant parties, where required.

Furthermore, the confirmations have been provided by and in relation to Company, Promoters, members of the Promoter Group, Selling Shareholders and Directors stating that they are not debarred or prohibited from accessing or operating in the capital markets or debarred from buying, selling or dealing in securities, under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority / court. In addition, confirmations have been received from the Company, its Promoters, members of Promoter Group, Selling Shareholders and Directors that they are not wilful defaulters or fraudulent borrowers as defined under the SEBI ICDR Regulations. Further, confirmations have been taken from the Directors that (a) they are not directors on the board of other listed companies whose shares have been/ were suspended from being traded on any stock exchange during the period of five years before the date of the DRHP during his/her tenure; and (b) that they are not currently or were previously on the board of a listed company whose shares have been or were delisted from being traded on any stock exchange while they were directors of such companies. Additionally, confirmations have been received from the Directors that they have not been declared as Fugitive Economic Offenders. Confirmations have also been provided by and in relation to the Company and Selling Shareholders, as applicable, in respect of their compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent in force and applicable to such party, as on the date of the DRHP.

With respect to the Selling Shareholders, the Company has received consent letters and the corporate authorisations from the Selling Shareholders to participate in the Offer and various confirmations, covenants, representations, and warranties, as required by the Selling Shareholders.

7. *Statutory and/or Regulatory and Other Diligence*

In connection with diligence of statutory and/ or regulatory matters, a review was conducted of the relevant statutory and/ or regulatory records of the Company, *inter-alia*, including the corporate records, filings made by the Company with various statutory and/ or regulatory authorities, in conjunction with the Legal Counsels. A review was also conducted of the approvals and registrations applied for and/or received by the Company, to undertake their respective business activities, and such other documents as were deemed necessary and as have been provided by the Company from time to time. Further reliance was placed on representations and certifications provided by the Company, in connection with such statutory and/ or regulatory matters and certificates.

We, along with the Legal Counsels, have relied on the list of approvals and registrations of the Company and such licenses, approvals and registrations, copies of which were provided by the Company, were reviewed. We, along with the Legal Counsels, have also regularly interacted with the officials of the Company to understand the approvals that are required to be obtained by the Company to carry out their respective business activities.

In relation to the build-up of the existing share capital of the Company and the Promoters, we have reviewed the statutory form filings, share allotment register, the share transfer register and the board and shareholders' resolutions filed, prepared and maintained by the Company.

Basis our review of records available with the Company and further search conducted by the Practicing Company Secretary, certain of the Company's corporate records are not traceable as the relevant information was not available in the records maintained by the Company or on the online portal of the Ministry of Corporate Affairs ("**MCA Portal**") or in the physical records available at the RoC. This was despite conducting internal searches and engaging an independent practicing company secretary to conduct a physical search of the records at the RoC and prepare a report on such search. Further, the Company also intimated the RoC with respect to the untraceable records by way of our letter dated August 1, 2025. Such records include, inter alia, documents and their particulars set out in the below:

(a) Form 23AC for filing balance sheet profit & loss account and other documents Form for financial year 2004-2005; and

(b) Special resolution and Form 23 in relation to the further issue of equity shares dated May 2, 2003. We have relied on other supporting documents available in our records, including the register of members, board resolutions for allotment and board notings. A suitable risk factor titled "*Risk Factors* - We are unable to trace certain of our historical records. We cannot assure you that no legal proceedings or regulatory actions will be initiated against the Company in the future in relation to the untraceable filings and corporate records, which may impact our financial condition and reputation." has been included in the DRHP. Also, appropriate notes have been included in the "*Capital Structure*" section of the DRHP, along with appropriate cross-references to the above-mentioned risk factor.

The material agreements executed by, or in relation to, the Company and such other documents as have been deemed necessary and as have been provided to us by the Company, from time to time have been reviewed.

8. ***Industry information***

The Company has relied on industry and market data derived from the CRISIL Report, which has been exclusively commissioned and paid for by the Company for the purpose of understanding the industry in connection with this Offer. The information contained in certain sections of the DRHP, including "*Offer Document Summary*", "*Risk Factors*", "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", have been included from the CRISIL Report. The CRISIL Report will be available on the website of the Company and has been included as one of the documents that will be available as a material document for inspection by public from the date of filing of the Red Herring Prospectus until the Bid/ Offer Closing Date. Further, we have held due diligence calls with CRISIL in relation to certain diligence questions in relation to the contents of the CRISIL Report.

A written consent dated August 1, 2025 from CRISIL to include the contents, or extracts of the CRISIL Report in the DRHP and other Offer related documents, has also been obtained.

9. ***Price information of past issues handled by the BRLMs***

In respect of price information of past issues handled by the BRLMs, reliance has been placed on the information available on the websites of the Stock Exchanges for preparing the statement of price information of the past issues handled by the BRLMs.

Annexure III-B

Checklist confirming regulation-wise compliance with the applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

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Schedule I

Checklist for confirmation with the SEBI (Framework for Rejection of Draft Offer Documents) Order, 2012

Paragraph	Contents	Status
1.	**Rejection Criteria**	
1.1.	**Where Capital Structure involves any of the following;**	
(i)	Existence of circular transactions for building up the capital / net worth of the issuer.	Not applicable
(ii)	Ultimate promoters are unidentifiable.	Not applicable
(iii)	Promoters' contribution not complying with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 in letter or in spirit.	Not applicable
1.2	**Where Object of the Issue;**	
(i)	Is vague for which a major portion of the issue proceeds are proposed to be utilised.	Not applicable
(ii)	Is repayment of loan or inter corporate deposit or any other borrowing of similar nature, and the issuer is not in a position to disclose the ultimate purpose for which the loan was taken or demonstrate utilisation of the same for the disclosed purpose.	Not applicable
(iii)	Is such where the major portion of the issue proceeds is proposed to be utilised for the purpose which does not create any tangible asset for the issuer, such as, expenses towards brand building, advertisement, payment to consultants, etc., and there is not enough justification for creation of such assets in terms of past performance, experience and concrete business plan of the issuer.	Not applicable
(iv)	Is to set up a plant and the issuer has not received crucial clearances / licenses / permissions / approvals from the required competent authority which is necessary for commencement of the activity and because of such non-receipt of clearances / licenses / permissions / approvals, the issue proceeds might not be utilised towards the stated objects of the issue.	Not applicable
(v)	Is such where the time gap between raising the funds and proposed utilisation of the same is unreasonably long.	Not applicable
1.3	**Where business model of an issuer is;** Exaggerated, complex or misleading and the investors may not be able to assess the risks associated with such business models.	Not applicable
1.4	**Where scrutiny of Financial Statements shows;**	
(i)	Sudden spurt in the business just before filing the draft offer document and reply to clarifications sought is not satisfactory. This will include spurt in line items such as Income, Debtors/Creditors, intangible assets, etc.	Not applicable
(ii)	Qualified audit reports or the reports where auditors have raised doubts / concerns over the accounting policies. This would also be applicable for the subsidiaries, joint ventures and associate companies of the issuer which significantly contributes to the business of the issuer. This would also be applicable for the entities where the issue proceeds are proposed to be utilised.	Not applicable
(iv)	Change in accounting policy with a view to show enhanced prospects for the issuer in contradiction with accounting norms.	Not applicable
(iii)	Majority of the business is with related parties or where circular transactions with connected / group entities exist with a view to show enhanced prospects of the issuer.	Not applicable
1.5	**Where there exists litigation including regulatory action;**	
(i)	Which is so major that the issuer's survival is dependent on the outcome of the pending litigation.	Not applicable

Paragraph	Contents	Status
(ii)	Which is wilfully concealed or covered.	Not applicable
1.6	**Other General Criteria;**	
(i)	Failure to provide complete documentation in terms of requirements of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.	Not applicable
(ii)	Non-furnishing of information or delay in furnishing of information or furnishing of Incorrect / vague / misleading / incomplete / false / non satisfactory information to SEBI.	Not applicable
(iii)	Failure to resolve conflict of interest, whether direct or indirect, between the issuer and Merchant Banker appointed by the issuer to undertake the book building process. Quantification of conflict of interest may not always be possible but it would largely depend upon SEBI's assessment on whether such conflict of interest may affect the judgment and ability of the Merchant Banker in conducting due diligence activity of issuer.	Not applicable

Schedule II

Checklist for confirmation with the SEBI (Issuing Observations on Draft Offer Documents Pending Regulatory Actions) Order, 2020

Paragraph	Contents*	Status
1.	**Treatment where there is a probable cause for investigation or enquiry or when an investigation or enquiry is in progress against the entities.** i. Where there is a probable cause for investigation, examination or enquiry against the entities, the observations on the draft offer document filed by the issuer with the Board shall be kept in abeyance for a period of thirty days after such probable cause arises or the date of filing of the draft offer document with the Board, whichever is later. ii. Where the Board is unable to conclude such investigation, examination or enquiry against the entities due to the reasons beyond its control or due to the conduct of the parties other than the entities, the observations on the draft offer document shall be kept in abeyance for a further period of thirty days. iii. Where the Board is unable to conclude such investigation, examination or enquiry against the entities due to the conduct of the entities, the observations on the draft offer document shall be kept in abeyance till the time such investigation, examination or enquiry is concluded.	Not applicable
2.	**Treatment where show cause notice has been issued** i. Where a show cause notice has been issued to the entities in an adjudication proceeding, the Board may process the draft offer document and issue observations and advice the entities to make necessary disclosures and statements in respect of such proceedings and the possible adverse impact of an order on the entities, in the offer document. ii. Where a show cause notice has been issued in respect of proceedings under sub-section (4) of section 11 or section 11B(1), the Board shall keep in abeyance the issuance of observations for a period of ninety days from the date of filing of the draft offer document with the Board. iii. Where the Board is unable to conclude the proceedings as referred to sub-clause (2) due to the reasons beyond its control or due to the conduct of the parties other than the entities, the observations on the draft offer document shall be kept in abeyance for a further period of forty five days. iv. Where the Board is unable to conclude the proceedings as referred to sub-clause (2) due to the conduct of the entities, the observations on the draft offer document shall be kept in abeyance till the time such proceedings are concluded. v. Where no order is passed within the time period specified in clause (3), the Board may process the draft offer document and issue observations and advise the entities to make necessary disclosures and statements in respect of such proceedings and the possible adverse impact of an order on the entities, in the offer document.	Not applicable
3.	**Treatment where recovery proceedings have been initiated or an order for disgorgement or monetary penalty has not been complied with or in case of non-compliance with any direction issued by the Board.**	Not applicable

Paragraph	Contents*	Status
	Where the Board has initiated proceedings for recovery against the entities or when an order for disgorgement or monetary penalty passed against the entities is not complied with or in case of non-compliance with any direction issued by the Board, the observations on the draft offer document filed by the issuer with the Board shall be kept in abeyance till such proceedings are concluded or until the directions are complied with.	
4.	**Issuance of observations when the issuer is restrained by a court from making a public issue or filing of offer document:** Where the issuer has been restrained by a court or tribunal from making an issue of securities or from issuing offer document to the public, the Board may examine the offer document and issue its observations thereof with a qualification that said observations are issued in accordance with the regulatory powers conferred on the Board and that the public issue or issuance of the offer document to the public by the issuer shall be subject to the orders of such court or tribunal or authority.	Not applicable
5.	**Reconsideration of proceedings pursuant to remand by the Securities Appellate Tribunal or court** Where proceedings has been remanded by the Securities Appellate Tribunal or a court, the same shall in effect be treated as proceedings covered under this Order, and the Board may take appropriate action in respect of the draft offer document under the provisions of this general order, subject to any order passed by the Securities Appellate Tribunal or a court, as the case may be, while remanding the matter.	Not applicable

**The term entity(ies) shall refer to the issuer or its promoter(s)/ director(s)/ group companies. Board shall refer to the Securities and Exchange Board of India.*

SCHEDULE III

Para-wise compliance of the Securities and Exchange Board of India (Prohibition on Raising Further Capital from Public and Transfer of Securities of Suspended Companies) Order, 2015

Paragraph	Contents	Status
1.	In terms of section 21 of the Securities Contracts (Regulation) Act, 1956 read with section 11A of the Securities and Exchange Board of India, Act ("SEBI Act"), all listed companies are mandated to comply with listing conditions prescribed under the equity listing agreement. Section 11A of the SEBI Act empowers SEBI to prohibit any company from issuing prospectus, etc. soliciting money from public for issue of securities and to specify requirements, for transfer of securities and matters incidental thereto.	Not Applicable
2.	Disclosures by the listed companies, as per the equity listing agreement, apart from empowering investors to have requisite information so as to make investment decision, has significant bearing on price discovery, prevention of fraud/ manipulation and has an overall impact on market integrity, etc. It has been noticed that several listed companies continuously fail to comply with listing conditions stipulated under the equity listing agreement and consequently trading in their shares is suspended by the concerned recognised stock exchange. While the non-promoter shareholders of such companies remain in disadvantageous position on account of information asymmetry, their promoters/directors, who are responsible for such defaults, can use the undisclosed information about the company and dispose of their shareholding in the company leaving the gullible investors in lurch. Thus, such non-compliance jeopardize the interests of investors in such companies and adversely impact the market integrity.	Not Applicable
3.	In order to ensure effective enforcement of listing conditions and improve compliance environment among the listed companies and taking into account the interests of investors in securities and the securities market, it is felt necessary to strengthen the regulatory mechanism in the above regard. Accordingly, in exercise of powers conferred under sections 11 and 11A of the SEBI Act, in order to protect the interest of investors, it is hereby ordered that- a) a suspended company, its holding and/or subsidiary, its promoters and directors shall not, issue prospectus, any offer document, or advertisement soliciting money from the public for the issue of securities, directly or indirectly; till the suspension is revoked by the concerned recognised stock exchange or securities of such company are delisted in accordance with the applicable delisting requirements, whichever is earlier: Provided that SEBI may, in the interest of trade and securities market, relax the strict enforcement of this restriction on recommendation of the concerned stock exchange in case of companies, other than aforementioned, wherein such promoters are also promoters/directors; b) the suspended company and the depositories shall not effect transfer, by way of sale, pledge, etc., of shares of a suspended company held by promoters /promoter group and directors till three months after the date of revocation of suspension by the	Not Applicable

Paragraph	Contents	Status
	concerned recognised stock exchange or till securities of such company are delisted in accordance with the applicable delisting requirements, whichever is earlier. The concerned recognized stock exchange and depositories shall co-ordinate with each other for ensuring compliance of this requirement. Such promoter/director may file objection, if any, before the concerned recognised stock exchange who may, on satisfactory reasons shown by such promoter/director, remove this restriction in accordance with its applicable rule, regulations and bye-laws.	
4.	For the aforesaid purposes, "suspended company" means a listed company in whose shares trading is suspended from trading by the recognised stock exchange on account of non compliance with listing requirements.	

ANNEXURE IV

CHECKLIST OF ADDITONAL CONFIRMATIONS TO BE PROVIDED IN TERMS OF THE SEBI DIRECTIVE DATED MAY 29, 2024 READ WITH SEBI'S EMAIL DIRECTIVE DATED JUNE 24, 2024

Proposed initial public offering of equity shares of face value of ₹ 10 each (the "Equity Shares") by Asset Reconstruction Company (India) Limited (the "Company" and such initial public offering, the "Offer"), comprising of an offer for sale of Equity Shares by certain of its existing shareholders (the "Selling Shareholders")

All capitalized terms not defined herein would have the same meaning as attributed to it in the draft red herring prospectus dated August 1, 2025, filed with the Securities and Exchange Board of India ("**SEBI**") along with this Annexure ("**DRHP**").

Sr. No.	SEBI directive	Status of Compliance	Page No.	Remarks
Confirmations to be received from LMs				
1.	LM is advised to confirm and disclose, along with Justification, that the issuer company is in compliance with The Companies Act, 2013 with respect to issuance of securities since inception till the date of filing of Drat Red Herring Prospectus.	Complied with, to the extent applicable	92	A confirmation to this effect has been included in the section titled "*Capital Structure*" in the DRHP.
2.	LM is advised to confirm and disclose that allottees under disclosed ESOPs scheme are employees only. LM shall also confirm and disclose that all grant of options under the disclosed schemes are in compliance with The Companies Act, 2013.	Complied with, to the extent applicable	103	A confirmation to this effect has been included in the section titled "*Capital Structure*" in the DRHP.
3.	LM is advised to undertake that the utilization of Pre-IPO proceeds being discretionary in nature, if raised, shall be completely attributed/adjusted towards GCP portion; unless auditor certified disclosures are made with regards to its utilization towards the disclosed specific objects of the issue. A confirmation to this effect should be submitted at the time of filing of Red Herring Prospectus with the Board and the confirmation should form part of material documents available for inspection.	Not applicable	-	The Company is not contemplating a pre-IPO placement.
4.	LM is advised to undertake that disclosure shall be made of the price and the name of the shareholder on the day of the allotment in case if any Pre-IPO placement is done, through public advertisement. A confirmation to this effect should be submitted at the time of filing of Updated Draft Red Herring Prospectus/ Red Herring Prospectus with the Board and the confirmation should form part of material documents available for inspection. The details of the Pre-IPO shall also form part of the Price Band Advertisement.	Not applicable	-	The Company is not contemplating a pre-IPO placement.
5.	LM is advised to provide a confirmation that there are no other agreements/ arrangements and clauses / covenants which are material and which needs to be disclosed or non disclosure of which may have bearing on the investment decision, other than the ones which have already disclosed in the offer document.	Complied with	209-210	A confirmation to this effect has been included in the section titled "*History and Certain Corporate Matters – Summary of key agreements and Shareholders' agreements*" in the DRHP.
6.	LM is advised to provide a confirmation that there are no findings/observations of any of the inspections by SEBI or any other regulator which are material and which needs to be disclosed or non disclosure of which may have bearing on the investment decision, other than the ones which have already disclosed in the offer document	Complied with	42-43	Other than as disclosed in the DRHP, there are no findings/observations of any of the inspections by SEBI or any other regulator which are material and which needs to be disclosed or non-disclosure of which may have bearing on the investment decision, other than the ones which have already disclosed in the DRHP.
7.	LM is advised to confirm that any of the investors of the company is not directly/indirectly related with Book Running Lead Managers and their associates. If yes, the same should be disclosed in	Complied with to the extent applicable	102-103	Neither the BRLMs or their respective associates, as defined in the SEBI Merchant Bankers Regulations, hold any Equity

Sr. No.	SEBI directive	Status of Compliance	Page No.	Remarks
Confirmations to be received from LMs				
	the offer document. Further, LM is advised to disclose through a negative disclosure confirmation at all relevant section of the offer document.			Shares in the Company as of the date of the DRHP. The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, the Company and its respective directors and officers, partners, trustees, affiliates, associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with the Company and each of its respective directors and officers, partners, trustees, affiliates, associates or third parties, for which they have received, and may in the future receive, compensation. A statement to this effect has been included in the section titled "*Capital Structure*" in the DRHP.
8.	LM is advised to ensure that if there are any conflict of interest between the suppliers of raw materials and third party service providers (crucial for operations of the company) and the company, Promoter, Promoter Group, Key Managerial Personnel, Directors and subsidiaries / Group Company and its directors, the same should be disclosed at all the relevant sections of the offer document	Not applicable	-	-
9.	LM is advised to ensure that if there are any conflict of interest between the lessor of the immovable properties, (crucial for operations of the company) and the company, Promoter, Promoter Group, Key Managerial Personnel, Directors and subsidiaries / Group Company and its directors, the same should be disclosed at all the relevant sections of the offer document	Not applicable	-	There is no conflict of interest between the lessor of the immovable properties, (crucial for operations of the company) and the Company, Promoters, Promoter Group, Key Managerial Personnel and Directors.
10.	LM is advised to confirm and disclose that no material clause of Article of Association have been left out from disclosure having bearing on the IPO/disclosure.	Complied with	479	All material clauses of the Articles of Association of the Company have been

Sr. No.	SEBI directive	Status of Compliance	Page No.	Remarks
Confirmations to be received from LMs				
				included in the "*Description of the Equity Shares and Terms of the Articles of Association*" section of the DRHP.
General Observations :-				
1.	LM is advised to ensure that Face Value of Shares should be mentioned at all places where no. of shares are mentioned in the offer document.	Complied with and noted for compliance	-	-
2.	LM is advised to ensure that offer documents are made in lucid and economical language with limited usage of abbreviations. Abbreviations, if any, shall be used only with prior and appropriate disclosure of the corresponding term in the same page/heading. Any expressions, Jargons or nomenclatures including from other languages/ countries or not commonly used, if any, shall be properly explained at each and every mention of the same. Also, LM is advised to ensure that acronym used in the headings of risk factors or any other information is accompanied by its full form.	Complied with and noted for compliance	-	-
3.	LM is advised to disclose the names of the suppliers or the Customers, in case where more than 50% of supplies or revenue originates from Top 10 suppliers/customers, as the case may be. Further, if not disclosed, reasons for non-disclosure has to be disclosed.	Not applicable	-	The Company does not have any suppliers or customers.
4.	LM is advised to ensure that the following disclosure should form part of the offer document wherever company proposes to undertake a Pre-IPO placement :- *"Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement, prior to filing of the Red Herring Prospectus. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the RHP and Prospectus."* A confirmation to this effect by LM should form part of material documents available for inspection.	Not applicable	-	The Company is not contemplating a pre-IPO placement.

Sr. No.	SEBI directive	Status of Compliance	Page No.	Remarks
Confirmations to be received from LMs				
5.	LM is advised to provide all material covenants in any of the agreements mentioned in the offer document (specifically related to primary and secondary transactions of securities and financial arrangements), findings/observations of any of the inspections by SEBI or any other regulator mentioned in the offer document.	Complied with	210	Other than as disclosed in the DRHP, there are no material covenants in any agreements (including in relation to primary and secondary transactions of securities of the Company and financial arrangements in connection thereof), findings/observations of any of the inspections by SEBI or any other regulator that are required to be disclosed in the DRHP.
6.	Where one of the object of the issue is Investment in Subsidiary/Associate/Joint venture, LM is advised to clear specify the mode of investment, whether equity or debt, except the case where investment is being done in Wholly owned subsidiary, at the time of filing of UDRHP. If the investment is in debt instruments, complete details regarding rate of interest, nature of security, terms of repayment, subordination, etc. shall be disclosed. If the mode of investment are not being disclosed in the Draft Red Herring Prospectus then the same should form part of Price Band Advertisement with suitable cross reference to Red Herring Prospectus.	Not applicable	-	The Offer comprises of an Offer for Sale by the Selling Shareholders.
7.	LM is advised to disclose following details in respect of all arrangements (acquisition, amalgamation and merger, slump sale, existing or proposed both) mentioned in the offer document:- a. Name of Acquirer/Acquiree, Transferor/ Transferee, as the case may be b. Relationship of the promoter or directors of the issuer company with the entities/person from whom the issuer has acquired or proposes to acquire any business/ material assets in the last 5 years c. Summarized Information about Valuation d. Effective Date of Transaction Documents pertaining to such transactions including Schemes, Valuation Report should form part of Material Document Available for inspection.	Not applicable	-	The Company has not made any divestments of any material business or undertaking, not made any material acquisition and has not undertaken any material mergers, amalgamation or revaluation of assets in the 10 years immediately preceding the date of the DRHP.

Sr. No.	SEBI directive	Status of Compliance	Page No.	Remarks
Confirmations to be received from LMs				
8.	LM is advised to ascertain that in case if the object of the offer is Repayment of loan, the purpose of loan should be clearly disclosed in the offer document at all relevant sections of the offer document. Further, LM is advised to ascertain whether the loan taken from the Bank / Financial Institution was utilized for capital expenditure by the company.	Not applicable	-	The Offer comprises of an Offer for Sale by the Selling Shareholders.
9.	Risk Factor Section:- a. LM is advised to ascertain that Risk factors should be bifurcated into Internal and External Risk Factors only. However, grouping of risk factors can be done. For instance, Risk related to suppliers can be grouped and divided into sub heads, if required. b. LM is advised that all the Risk Factors should contain data and should have a proper cross reference to the actual section / page where the specific and detailed explanation is given (where required more than one section / page). Data shall be for last 3 financial years and stub period. Due reason to be provided if there is no cross reference being provided or no data being provided. c. LM is advised to ensure that Heading of the risk factor should clearly state the risk involved. d. LM is advised to ensure that any description of risk or description of the possibility of occurrence of an event/ situation shall necessary follow with a statement of detailed disclosure on past occurrences. If not, LM is advised to provide a categorical statement of disclosure on non-occurrence of such events, wherever applicable. Further, LM is advised to disclose the impact on operations and financials of the company if any such instance occurred during last 3 FYs. e. Every risk factor should be disclosed using the following manner – Para of Emphasis followed by Data and Description. f. Materiality of Risk should be decided by LM. However, for materiality, the following principles should be considered:- i. Top Risk Factors (sequence can be decided by LM and the issuer company):- 1. Any ongoing or concluded investigations/ Show cause notice by any Law Enforcement Agencies 2. Concentration Risk (Product/ Supplier/ Geographical/ Customer) 3. Risks which are crucial to the operations of the company	Complied with, to the extent applicable.	-	

Sr. No.	SEBI directive	Status of Compliance	Page No.	Remarks
Confirmations to be received from LMs				
	4. Risks related to financials 5. Other material risks			
10.	LM is advised to ensure that monitoring agency should monitor the utilization of the Gross Proceeds from the Fresh Issue.	Not applicable	-	The Offer comprises of an Offer for Sale by the Selling Shareholders.
11.	LM is advised to appropriately disclose delays, if any, in payment of ESIC, PF, IT and other statutory dues. Further, LM is advised to disclose in details, the number of employees for which the Provident Fund is applicable, paid and unpaid dues. The principle of disclosure shall be applicable for all employee related, statutory payments.	Complied with, to the extent applicable	57-58	Appropriate disclosures have been made in the section titled "*Risk Factors*" in the DRHP.
12.	All special rights granted to shareholders under AoA, SHA or through any arrangement or agreement shall lapse on the date of listing	Complied with and noted for compliance	-	It is submitted that all special rights available to any Shareholder shall be terminated on the date of listing pursuant to the Offer. Relevant confirmation has been included in the section "*History and Certain Corporate Matters - Share Subscription Agreement dated August 12, 2008 and amendment to the Share Subscription Agreement dated November 20, 2008 ("SSA") entered into between Lathe Investment Pte. Ltd. ("Investor Selling Shareholder") and our Company (Company and Investor Selling Shareholder, collectively referred to as Parties) and Undertaking by Company to Avenue India Resurgence Pte. Ltd. and State Bank of India dated July 1, 2025 (the "Undertaking")*" in the DRHP.
13.	LM is advised to provide details of acquisition of securities of the issuer entity through secondary transactions.	Complied with and noted for compliance	96-97 and 99	Details of the acquisition of securities of the Company by the Promoters and Selling Shareholders through secondary transactions has been included in the section titled "*Capital Structure*" in the DRHP.
14.	LM shall ensure that disclosure made with respect to Offer Price and Price Band are in compliance with Part VII of Chapter II of SEBI (ICDR) Regulations, 2018.	Complied with and notes for compliance	-	-

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<tr><th>Sr. No.</th><th>SEBI directive</th><th>Status of Compliance</th><th>Page No.</th><th>Remarks</th></tr>
<tr><td colspan="5">Confirmations to be received from LMs</td></tr>
<tr><td>15.</td><td>LM is advised to ensure that details of the Directors in the section titled “Management” clearly depicts if any director is a nominee. If so, LM shall also disclose the details on the shareholders nominating them. Similarly, such details to be disclosed for the KMPs as well.</td><td>Complied with, to the extent applicable and noted for compliance</td><td>212-214</td><td>A statement to this effect has been included in the section titled “Our Management” in the DRHP.</td></tr>
<tr><td>16.</td><td>LM shall ensure Objects of Offer are not vague or ambiguous. Further, LM is advised to ensure that Object of the offer should substantiate with quantitative data to understand the requirement of funds and their deployment period.</td><td>Not applicable</td><td>-</td><td>The Offer comprises of an Offer for Sale by the Selling Shareholders.</td></tr>
<tr><td>17.</td><td>LM is advised to ensure that an intimation is sent to respective Registrar of Company (RoC) informing about any missing/untraceable RoC filings before filing of draft offer document with the Board.</td><td>Complied with</td><td>-</td><td>The Company has intimated the Registrar of Companies, Maharashtra at Mumbai with respect to the untraceable records by way of its letter dated August 1, 2025.</td></tr>
<tr><td>18.</td><td>LM is advised to disclose following details of Trusts, where trust has been classified as Promoter of the Company:-
a. Name of the Beneficiaries
b. Name of the Trustees
c. Name of the Settler
d. Reason for formation of the trust.</td><td>Not applicable.</td><td>-</td><td>-</td></tr>
<tr><td>19.</td><td>LM is advised to ensure that any capacity expansion plan or plan for opening of new plant, store, etc., entering into new market, launch of new product has to be approved by Board of Directors of the issuer entity. A disclosure to this effect should be made in the offer document.</td><td>Not applicable</td><td>-</td><td>-</td></tr>
<tr><td>20.</td><td>LM is advised to disclose the below details with respect to Compulsory Convertible Preference Share :-
<table>
<tr><th>S. No.</th><th>Name of the Shareholder</th><th>Date of Acquisition of Preference shares</th><th>Number of Preference Shares Acquired</th><th>Conversion Ration</th><th>Number of Equity Shares to be allotted/ alloted post conversion</th><th>Acquisition price per preference shares</th><th>Estimated Price per Equity Shares (based on conversion)</th></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
</table></td><td>Not applicable</td><td>-</td><td>-</td></tr>
</table>

Sr. No.	SEBI directive	Status of Compliance	Page No.	Remarks
Confirmations to be received from LMs				
21.	LM is advised to ensure that extract of Industry Report, being disclosed in the offer document, should elaborate threats and challenges to the issuer entity and its products and services.	Complied with to the extent applicable	-	-