

Performance of ARCs in Q2 (July- Sept) 2025 quarter

INR in crore

	Particulars	June-25	Sep-25	Growth Sep-2025	Growth June-2025
1	Total Dues acquired	16,50,709	16,88,091	37,381	16,876
2	Total SRs issued	3,26,053	3,32,774	6,721	4,388
3	Total SR redeemed	1,95,210	2,01,037	5,827	7,725
4	SR Outstanding	1,30,843	1,31,737	894	-3,337

Association of ARCs in India Wishes all its stakeholders and readers Merry Christmas and Happy NEW YEAR 2026

Association activities

A Diwali Celebration was arranged on October 16, 2025, in Mumbai. Senior officials from 15 ARCs participated in the event to strengthen interpersonal bonding and share the joyous celebration.



Meeting of Delhi-based ARCs

A meeting of Delhi-based ARCs was held in Delhi on November 4, 2025, during which, amongst others, a presentation was made on compliance requirements at ARCs.



Our Vision

To harness a common platform for Asset Reconstruction Companies acting in coordination and develop favourable legal and regulatory environment for smooth functioning of ARCs.

Advisory Board

Birendra Kumar

M Narendra

Siby Antony

Anil Bhatia

Managing Committee

Chairman

Sanjay Tibrewala

MD & CEO, Phoenix ARC

Vice Chairman

Pradeep Goel

Founder, Prudent ARC

Joint Secretary

Chandan Churiwal

CEO, ACRE

Treasurer

Girish Sinha

MD & CEO, ASREC

Members

Pramod Gupta

CFO, ARCIL

Mr R. Mallikarjuna

MD & CEO, Pridhvi ARC

Rahul Gupta

MD & CEO, JC Flowers ARC

Chief Executive Officer

Hari Hara Mishra

Meeting at ARCs based in Ahmedabad on December 9, 2025



(at RARE ARC, Ahmedabad)



(at CFM ARC, Ahmedabad Office)

Global NPL Meet – London, 1st & 2nd October 2025



In the 7th International Summit, NPL Global organised by Smithnovak on 1-2 Oct 2025, in London, one session was dedicated to India. ARC Association, Phoenix ARC, and JC Flowers ARC participated. The participants highlighted India as a distressed debt investment destination and the utility of ARC as a platform and enabler.

Why asset reconstruction companies should be your next career move

1. About industry

Every year, thousands of borrowers, individuals, SMEs, and large corporates default on loans. These defaults create Non-Performing Assets (NPAs). Asset Reconstruction Companies (ARCs), regulated by the Reserve Bank of India (RBI), step in to resolve, restructure, or recover these assets and help clean the financial system. They sit at the intersection of banking, insolvency, and investing, helping banks clean up balance sheets and improving credit flow in the economy.

2. Opportunity for job seekers

Core opportunities

- *Fast learning curve:* Exposure to real distressed cases early in career.
- *Cross-functional exposure:* Work with lenders, borrowers, lawyers, valuers, and turnaround specialists.
- *Skill building:* Develop niche expertise in insolvency, recovery laws, and financial restructuring.
- *Early ownership:* Lean teams mean juniors handle significant responsibilities.
- *Exit opportunities:* Transition into corporate finance, restructuring advisory, distressed investing, or credit risk roles.

Additional opportunities for ARC professionals

- *Professional certifications:* ARC experience supports pathways to Insolvency Professional, CFA, CA, and MBA specialisations.

- *Technology exposure:* Work on AI-driven borrower profiling, predictive dialers, recovery dashboards, and digital auction platforms.
- *Networking:* Build strong connections with banks, NBFCs, regulators, courts, and global investors.
- *Societal impact:* Contribute to economic stability, credit flow, and the revival of distressed companies.

3. Why institutions should promote ARCs as career destinations

- *Global relevance:* Skills in distressed asset management are transferable across geographies.
- *High demand:* With rising NPAs globally, ARCs and distressed funds are expanding, creating sustainable career opportunities.
- *Impactful work:* Professionals directly contribute to stabilising financial systems and enabling credit flow.
- *Cross-disciplinary appeal:* Finance, law, technology, and management students all find meaningful pathways.



4. Career pathways by background

Background	Entry role	Skills gained	Future opportunities
Graduates (B.Com, BBA, BA)	Collection Associate / Manager	Loan structures, borrower behaviour, negotiation	Team leads, recovery strategists, legal coordinators
Lawyers	Legal Associate	SARFAESI, IBC, DRT, NCLT processes	Insolvency Professional, Legal Counsel, Restructuring Advisory
Engineers (Software / Data Science)	Tech Analyst	Predictive modelling, borrower apps, recovery dashboards	Fintech product roles, regulatory tech, financial infrastructure
MBA's / CA / CFA	Credit Analyst / Resolution Manager	Credit analysis, valuation, negotiation, restructuring	Distressed debt funds, Risk and Recovery Heads, Advisory firms

ESG for Asset Reconstruction Companies (Part 2)

...Continued from last Newsletter, July- Sept 2025

What is Environmental Due Diligence (EDD)

Environmental Due Diligence (EDD) is the process of systematically identifying, assessing, and documenting the environmental risks, liabilities, and compliance status of an asset or entity before acquisition, restructuring, or revival.

Objectives of EDD in ARC operations

Identify historical or current environmental violations or contamination risks associated with the borrower or the asset. Avoid acquisition of hidden liabilities (e.g., clean-up costs, penalties, legal disputes). Inform revival or disposal strategies, decide whether an asset is revivable, salable, or should be liquidated. Protect the ARC from future reputational, legal, and financial exposure. Enhance credibility and compliance with RBI, SEBI, IBC, and stakeholder expectations.

What is ESG risk evaluation?

ESG risk evaluation is the process of identifying, analysing, and prioritising potential Environmental, Social, and Governance (ESG) risks associated with the acquisition, management, and resolution of distressed assets. For ARCs, ESG risk evaluation is a strategic layer of the due diligence process, ensuring that:

The resolution strategy aligns with sustainable and ethical standards, assets do not carry hidden environmental or social liabilities, and governance-related weaknesses (of borrowers, promoters, or stakeholders) are identified early.

Best practices in ESG risk evaluation

- Maintain a library of red flag ESG sectors (e.g., asbestos, leather tanning, coal).
- Assign ESG risk owners within the due diligence or investment committee.
- Use independent ESG consultants for complex assets or sectors.
- Link ESG risk ratings with internal credit appraisal or bid valuation tools.
- Incorporate ESG clauses (e.g., pollution indemnity, social compliance) in transaction agreements.

ESG risk evaluation is not just a compliance requirement; it's a strategic and ethical imperative for ARCs. It ensures that

resolutions not only deliver financial returns but also safeguard the environment, social fabric, and governance ecosystem.

Integrating ESG risk into core processes prepares ARCs for the next generation of stakeholder expectations and regulatory scrutiny. 'A resolution without ESG alignment is a recovery without sustainability.'

What are green revival strategies?

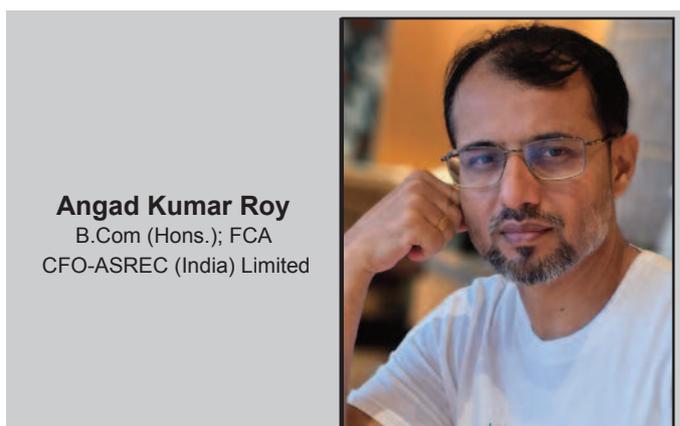
Green revival strategies refer to the incorporation of environmentally sustainable practices, technologies, and energy solutions during the resolution and revival of distressed assets. For ARCs, this means that the process of reviving or restructuring a borrower entity should minimise environmental impact, promote resource efficiency, and align with clean energy goals.

Objectives of green revival in the ARC context

- Ensure long-term viability of revived businesses through sustainable operations.
- Comply with environmental regulations and reduce legal risk.
- Enhance the marketability and value of restructured entities or assets.
- Align with ESG commitments, investor expectations, and national climate goals (e.g., Net Zero by 2070).
- Attract green-conscious bidders, buyers, or co-investors.

ARC's role in promoting green revival

- Include green viability assessment in due diligence reports.



- Offer preferential support to revival plans that incorporate green components.
- Develop a Green Revival Policy as part of the ARC's ESG framework.
- Encourage bidders and resolution applicants to submit sustainability-aligned business plans.
- Advocate for green financing via banks, PSUs, or climate funds.

We invite topical articles from our colleagues to be published in the Newsletter - Chief Executive Officer

AI in ARC



One session was specifically carved out for AI at ARC during a two-day Artificial Intelligence (AI) Conclave organised by Enqube collaborations. The deliberations included:

- AI-led transformation in ARC processes and decision-making
- Data readiness, governance, and regulatory compliance for AI adoption.
- AI tools for portfolio monitoring and decision support.
- Predictive analytics for valuation, pricing, and pre-acquisition due diligence.
- Enhancing post-acquisition communication, restructuring strategies, and borrower experience.
- Digital skip tracing, KYC automation, and call centre enhancements.
- Cybersecurity, privacy, and risk management in AI implementation.

For any information, please contact:

Hari Hara Mishra, Chief Executive Officer
 Association of ARCs in India
 A Wing 423, Bonanza, Sahar Plaza,
 Andheri - Kurla Road, Andheri East, Mumbai 400 059

Phone: 022 - 4455 8778
 Email: ceo@arcindia.co.in
 Website: www.arcindia.co.in

