

Ref No.: NACL/08/MAY/2025-26

May 19, 2025

To, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 Scrip Code: 544260	To, National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051 Scrip Symbol: NORTHARC
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Sub: Outcome of Board meeting of Northern Arc Capital Limited ("the Company") - Pursuant to Regulation 30, 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Ref: Our Intimation letter NACL/03/MAY/2025-26 dated May 08, 2025.

With reference to the above intimation, we wish to inform you that the Board of Directors at their meeting held on Monday, May 19, 2025, has considered and approved the following:

1. Approval of Audited Standalone and Consolidated Financial Results for the fourth quarter and financial year ended March 31, 2025:

- A copy of the Audited Standalone and Consolidated Financial Results along with Audit Report issued by the Statutory Auditors, M/s. Walker & Chandio & Co LLP, Chartered Accountants is enclosed herewith.
- Disclosures of line items as required under Regulation 52(4) of Listing Regulations, 2015 (As a part of line items along with financial results).
- Security cover certificate pursuant to Regulation 54(2) and 54(3) of Listing Regulations, 2015 read with SEBI Circular SEBI/HO/MIRSD/MIRSD_CRADT/CIR/P/2022/67 dated May 19, 2022, enclosed herewith.
- A declaration on the audit report with unmodified opinion in accordance with Regulation 33(3)(d) and 52(3)(a) of Listing Regulations is enclosed herewith.
- Statement indicating utilization of issue proceeds and deviation or variation in use of issue proceeds under Regulation 52(7) & 52(7A) of Listing Regulations as of March 31, 2025.
- Press Release for the Investors on the Financial and Operational Performance of the Company for fourth quarter and financial year ended March 31, 2025.

2. Appointment of M/s. Alagar & Associates, as the Secretarial Auditors of the Company, subject to approval of the shareholders of the Company.

The Board has approved the appointment of M/s. Alagar & Associates, Practicing Company Secretaries as Secretarial Auditors of the Company for a term of 5 (five) consecutive financial years with effect from April 01, 2025, up to March 31, 2030, subject to Shareholders' approval at the ensuing Annual General Meeting.



Northern Arc Capital Limited

Registered Office:

10th Floor, Phase-I, IIT-Madras Research Park, Kanagam Village, Taramani, Chennai – 600 113, India

+91 44 6668 7000 | contact@northernarc.com | www.northernarc.com

CIN.: L65910TN1989PLC017021

The details required under SEBI Listing Regulations read with SEBI Circular no. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024, and SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/CIR/P/2024/185 dated December 31, 2024, relating to the appointment of Secretarial Auditor of the Company is enclosed as **Annexure – A**.

3. Issuance of Non-Convertible Debenture on private placement basis:

The Board of Directors has, subject to the approval of shareholders in the ensuing Annual General Meeting, approved to offer, issue and allot in one or more tranches, Non- Convertible Debentures ("NCDs") for an amount not exceeding Rs. 5,000 crores (Rupees Five Thousand Crores only) by way of private placement, in accordance with the applicable provisions of Companies Act, 2013 and SEBI Listing Regulations.

4. Amendments to the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information:

Pursuant to Regulation 8 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015, the Board has approved certain amendments to the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (the "Code").

The Code as approved above, is available on the website of the Company at <https://www.northernarc.com/disclosures-under-regulations>

Please note that the Board meeting commenced at 03.15 P.M. (IST) and concluded at 08.15 P.M. (IST)

This intimation is also being uploaded on the Company's website at www.northernarc.com

For Northern Arc Capital Limited



Prakash Chandra Panda
Company Secretary & Compliance Officer



CC:

Catalyst Trusteeship Limited,
GDA House, Plot No.85,
Bhusari Colony (Right),
Paud Road,
Pune 411 038.

Annexure A

Appointment of M/s. Alagar & Associates, Practicing Company Secretaries, as the Secretarial Auditors of the Company

S. No.	Particulars	Details
1.	Reason for change viz. appointment, re-appointment, resignation, removal, death or otherwise	Appointment of M/s. Alagar & Associates, a Peer-Reviewed Firm of Company Secretaries in Practice, as Secretarial Auditors of the Company.
2.	Date of appointment/re-appointment/cessation (as applicable) & term of appointment/reappointment;	The Board at its meeting held on May 19, 2025, approved the appointment of M/s. Alagar & Associates as Secretarial Auditors, for a period of five consecutive financial years commencing from April 01, 2025, up to March 31, 2030, subject to Shareholders' approval at the ensuing Annual General Meeting.
3.	Brief profile (in case of appointment)	M/s. Alagar & Associates, Practicing Company Secretaries, was founded by Mr. M. Alagar, who brings with him over 15 years of experience as a practicing Company Secretary and more than 20 years of expertise in diverse areas including Corporate and Securities Laws, Listing and Post-Listing Regulations under SEBI, FEMA, Intellectual Property Rights (IPR), Due Diligence, Mergers and Acquisitions, Employee Stock Option Plans (ESOPs), Transaction Advisory Services, as well as drafting and vetting of transaction documents, business valuation, and option valuation.
4.	Disclosure of relationships between Directors (in case of appointment of a director)	Not Applicable



Walker ChandioK & Co LLP

16th Floor, Tower III,
One International Center,
S B Marg, Prabhadevi (W),
Mumbai - 400013
Maharashtra, India
T +91 22 6626 2699
F +91 22 6626 2601

Independent Auditor's Report on Standalone Annual Financial Results of the Non-Banking Finance Company (NBFC) pursuant to the Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Northern Arc Capital Limited

Opinion

1. We have audited the accompanying standalone annual financial results ('the Statement') of **Northern Arc Capital Limited** ('the NBFC') for the year ended **31 March 2025**, attached herewith, being submitted by the NBFC pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (i) presents financial results in accordance with the requirements of Regulation 33 and Regulation 52 read with Regulation 63 of the Listing Regulations, and
 - (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ('RBI Guidelines') and other accounting principles generally accepted in India, of the standalone net profit after tax and other comprehensive income and other financial information of the NBFC for the year ended 31 March 2025.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statement section of our report. We are independent of the NBFC in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion.



Northern Arc Capital Limited
Independent Auditor's Report on Standalone Annual Financial Results of the Non-Banking Finance Company (NBFC) pursuant to the Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

Emphasis of Matter

4. We draw attention to Note 10 to the accompanying Statement, which describes the impact of the regulatory directions received by the Company from the Reserve Bank of India (RBI) vide e-mail communication dated 16 May 2025, pursuant to which the Company is required to exclude credit enhancements under First Loss Default Guarantee (FLDG) arrangement available at portfolio level as at 31 March 2025 from the computation of Expected Credit Losses (ECL) calculated as per Ind AS 109, Financial Instruments by 30 June 2025. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Statement

5. This Statement, which is the responsibility of the management and has been approved by the NBFC's Board of Directors, has been prepared on the basis of the standalone annual financial statements. The NBFC's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income and other financial information of the NBFC in accordance with the Ind AS prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, and RBI Guidelines and other accounting principles generally accepted in India, and in compliance with Regulation 33 and Regulation 52 read with Regulation 63 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the NBFC and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
6. In preparing the Statement, the Board of Directors is responsible for assessing the NBFC's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the NBFC or to cease operations, or has no realistic alternative but to do so.
7. The Board of Directors is also responsible for overseeing the NBFC's financial reporting process.

Auditor's Responsibilities for the Audit of the Statement

8. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.



Northern Arc Capital Limited

Independent Auditor's Report on Standalone Annual Financial Results of the Non-Banking Finance Company (NBFC) pursuant to the Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

9. As part of an audit in accordance with the Standards on Auditing, specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the NBFC has in place an adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
 - Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the NBFC's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the NBFC to cease to continue as a going concern; and
 - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

12. The Statement includes the financial results for the quarter ended 31 March 2025, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.



Northern Arc Capital Limited

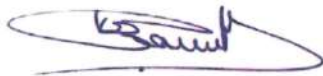
Independent Auditor's Report on Standalone Annual Financial Results of the Non-Banking Finance Company (NBFC) pursuant to the Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

13. The audit of standalone financial results for the corresponding quarter and year ended 31 March 2024 included in the Statement was carried out and reported by S.R. Batliboi & Associates LLP who have expressed unmodified opinion vide their audit report dated 29 May 2024, whose reports have been furnished to us, and which have been relied upon by us for the purpose of our audit of the Statement. Our opinion is not modified in respect of this matter.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No:001076N/N500013



Khushroo B. Panthaky

Partner

Membership No:042423

UDIN:25042423BMNRBN1197

Place: Nagpur

Date: 19 May 2025

Northern Arc Capital Limited
CIN: L65910TN1989PLC017021
Regd. Office: IITM Research Park, Phase I, 10th Floor, Kanagam Village, Taramani, Chennai - 600 113
Statement of audited standalone financial results for the quarter and year ended 31 March 2025

(All amounts are in Indian rupees in lakhs, unless otherwise stated)

Particulars	Quarter ended			Year ended	
	31 March 2025	31 December 2024	31 March 2024	31 March 2025	31 March 2024
	Audited (Refer Note i)	Unaudited	Audited (Refer Note i)	Audited	Audited
1 Total Income from Operations	58,968.00	55,995.84	54,329.23	2,28,411.42	1,82,866.03
2 Net Profit for the period (before tax, exceptional and/ or extraordinary items)	4,799.35	13,395.87	10,934.95	44,171.77	37,542.23
3 Net Profit for the period before tax, (after exceptional and/ or extraordinary items)	4,799.35	13,395.87	10,934.95	44,171.77	37,542.23
4 Net Profit for the period after tax, (after exceptional and/ or extraordinary items)	4,673.79	10,226.50	8,193.94	34,261.50	28,017.11
5 Total Comprehensive income for the period [Comprising profit for the period (after tax) and other comprehensive income (after tax)]	3,528.09	11,125.43	9,602.12	31,360.71	29,949.33
6 Paid up Equity Share Capital	16,137.93	16,137.93	8,938.54	16,137.93	8,938.54
7 Reserves (excluding Revaluation Reserve)	3,24,777.53	3,20,909.73	2,07,832.15	3,24,777.53	2,07,832.15
8 Securities premium	1,70,907.02	1,70,907.02	86,366.41	1,70,907.02	86,366.41
9 Net worth (Equity and preference share capital + Reserve and surplus excluding revaluation reserve)	3,40,915.46	3,37,047.67	2,25,035.33	3,40,915.46	2,25,035.33
10 Paid up Debt Capital/ Outstanding debt	-	-	-	-	-
11 Outstanding Redeemable Preference Shares	-	-	-	-	-
12 Debt Equity Ratio (Refer note b)	2.87	2.53	4.02	2.87	4.02
13 Earnings per share (of Rs. 10 each) (not annualised for quarter ends)					
Basic	2.90	6.34	9.20	22.59	31.45
Diluted	2.89	6.31	6.20	22.53	21.26
14 Capital Redemption Reserve	2,660.00	2,660.00	2,660.00	2,660.00	2,660.00
15 Debenture Redemption Reserve (Refer note c)	NA	NA	NA	NA	NA
16 Debt Service Coverage Ratio (Refer note d)	NA	NA	NA	NA	NA
17 Interest Service Coverage Ratio (Refer note d)	NA	NA	NA	NA	NA

Note:

- a The Sl. No. 1 to 7, 9 and 12 to 14 are extracts from the detailed format of Statement of audited standalone financial results for the quarter and year ended 31 March 2025 filed with the stock exchange under with Regulation 33 and Regulation 52 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the statement of audited standalone financial results for the quarter and year ended 31 March 2025 are available on the websites of the stock exchange and the Company.
- b Debt-equity ratio is (debt securities+ borrowings (other than debt securities)+subordinated liabilities) / net worth i.e. equity share capital + instruments entirely equity in nature + other equity
- c As per Rule 18(7)(b)(ii) of Companies (Share Capital and Debenture) Rules 2014 read with the Companies Act 2013, Debenture Redemption Reserve is not required to be created for issue of privately placed debentures by Non- Banking Finance Companies registered with Reserve Bank.
- d Debt service coverage ratio and Interest service coverage ratio is not applicable for Non Banking Finance Company (NBFC) and accordingly no disclosure has been made.
- e The statement of audited standalone financial results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their meetings held on May 19, 2025. This standalone financial results have been subjected to audit by the statutory auditors of the Company. The auditors have issued an unmodified opinion on the financial results.
- f The audited standalone financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standard) Rules, 2015 as amended from time to time, notified under section 133 of the Companies Act 203 ('the Act') and other relevant provisions of the Act, the circulars, guidelines and directions issued by the Reserve Bank of India ('the RBI') from time to time applicable to NBFCs ('the RBI guidelines'), and other accounting principles generally accepted in India, and is in compliance with Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended (the "Listing Regulations"). Any application guidance/ clarifications/ directions issued by the RBI are implemented as and when they are issued/ becomes applicable.
- g In terms of the requirement as per RBI notification no. RBI/ 2019/170 DOR (NBFC) CC PD No. 109/22 10.106/2019-20 dated 13 March 2020 on implementation of Indian Accounting Standards, Non Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and income recognition asset classification and provisioning (IRACP) norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including provision on standard assets) as at 31 March 2025 and accordingly, no amount is required to be transferred to impairment reserve.
- h In compliance with Regulation 33 and Regulation 52 of the Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations 2015, audit of financial results for the quarter and year ended 31 March 2025 has been carried out by the Statutory Auditors of the Company.
- i Figures for the quarter ended 31 March 2025 are derived in the standalone financial results by deducting the reported year to date figures for the period ended December 31, 2024 which were subject to limited review, from audited figures for the year ended 31 March 2025. Figures for the quarter ended 31 March 2024 are derived in the standalone financial results by deducting the reported year to date figures for the period ended December 31, 2023 which were subject to limited review, from audited figures for the year ended 31 March 2024.
- j For the items referred in sub-clauses (a), (b), (d) of the Regulation 52 (4) of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015, the pertinent disclosures have been made to the Stock Exchange(s) Bombay Stock Exchange and National Stock Exchange of India Limited and can be accessed on the URL <https://www.northernarc.com/financial-results>

Place : Mumbai
Date : 19 May 2025



Ashish Mehrotra
Managing Director & CEO



Northern Arc Capital Limited
CIN: L65910TN1989PLC017021
Regd. Office: IITM Research Park, Phase I, 10th Floor, Kanagam Village, Taramani, Chennai - 600 113
Statement of standalone financial results of Northern Arc Capital Limited (the "Company") for the quarter and year ended 31 March 2025

(All amounts are in Indian rupees in lakhs, unless otherwise stated)

Particulars	Quarter ended			Year ended	
	31 March 2025	31 December 2024	31 March 2024	31 March 2025	31 March 2024
	Audited (Refer Note 11)	Unaudited	Audited (Refer Note 11)	Audited	Audited
Revenue from operations					
Interest income	55,068.73	52,327.62	50,565.35	2,18,173.69	1,69,934.25
Fee and commission income	1,460.78	1,186.61	1,783.78	4,675.51	4,243.93
Net gain on fair value changes	826.71	857.66	270.23	1,439.69	3,945.31
Net gain on derecognition of financial instruments	1,611.78	1,623.95	1,709.87	4,122.53	4,742.54
Total revenue from operations	58,968.00	55,995.84	54,329.23	2,28,411.42	1,82,866.03
Other income	315.55	445.46	1,100.76	1,240.04	1,565.65
Total income	59,283.55	56,441.30	55,429.99	2,29,651.46	1,84,431.68
Expenses					
Finance costs	19,753.33	21,108.14	20,380.81	82,286.37	72,586.35
Fees and commission expense	8,381.98	6,407.73	12,411.35	32,940.65	31,714.19
Impairment on financial instruments	17,528.92	7,351.03	2,461.97	37,852.62	12,313.52
Employee benefits expenses	5,061.00	5,309.16	5,027.72	20,385.29	17,961.03
Depreciation and amortisation	430.56	517.26	400.21	1,531.32	1,467.03
Other expenses	3,328.41	2,352.11	3,812.98	10,483.44	10,847.33
Total expenses	54,484.20	43,045.43	44,495.04	1,85,479.69	1,46,889.45
Profit before tax	4,799.35	13,395.87	10,934.95	44,171.77	37,542.23
Tax expense					
Current tax	4,111.32	4,296.00	2,885.07	16,170.32	10,189.07
Tax related to earlier years	(1,006.00)	-	-	(1,006.00)	-
Deferred tax	(2,979.76)	(1,126.63)	(144.06)	(5,254.05)	(663.95)
Total tax expense	125.56	3,169.37	2,741.01	9,910.27	9,525.12
Profit for the period / year	4,673.79	10,226.50	8,193.94	34,261.50	28,017.11
Other comprehensive income					
Items that will not be reclassified to profit or loss in subsequent periods					
Remeasurement (loss) / gain on the defined benefit plan	(59.90)	(2.26)	61.31	(66.68)	(9.04)
Income tax relating to items that will not be reclassified to profit or loss	15.07	0.57	(15.42)	16.78	2.28
	(44.83)	(1.69)	45.89	(49.90)	(6.76)
Items that will be reclassified to profit or loss in subsequent periods					
Net gain / (loss) gain on financial instruments through other comprehensive income	3,381.93	(2,389.59)	805.61	(2,908.30)	1,228.99
Income tax relating to items that will be reclassified to profit or loss	(851.23)	601.46	(202.77)	732.02	(309.34)
	2,530.70	(1,788.13)	602.84	(2,176.28)	919.65
Net (loss) / gain on effective portion of cash flow hedges	(4,853.10)	3,593.15	1,014.90	(901.53)	1,362.19
Income tax relating to items that will be reclassified to profit or loss	1,221.53	(904.40)	(255.45)	226.92	(342.86)
	(3,631.57)	2,688.75	759.45	(674.61)	1,019.33
Other comprehensive (loss) / income for the period / year	(1,145.70)	898.93	1,408.18	(2,900.79)	1,932.22
Total comprehensive income for the period / year	3,528.09	11,125.43	9,602.12	31,360.71	29,949.33
Earnings per equity shares, par value of INR 10 each*					
Basic (in rupees)	2.90	6.34	9.20	22.59	31.45
Diluted (in rupees)	2.89	6.31	6.20	22.53	21.26

* Earnings per share for the quarters are not annualized

See accompanying notes to the audited standalone financial results



Northern Arc Capital Limited
CIN: L65910TN1989PLC017021

Regd. Office: IITM Research Park, Phase I, 10th Floor, Kanagam Village, Taramani, Chennai - 600 113

Statement of standalone assets and liabilities as at 31 March 2025

*(All amounts are in Indian rupees in lakhs,
unless otherwise stated)*

Particulars	As at 31 March 2025 (Audited)	As at 31 March 2024 (Audited)
ASSETS		
Financial assets		
Cash and cash equivalents	32,120.04	16,123.83
Bank balances other than cash and cash equivalents	31,482.92	22,213.03
Derivative financial instruments	5,476.55	5,481.94
Trade receivables	1,201.75	1,437.83
Loans	10,57,237.78	9,30,987.51
Investments	1,95,682.05	1,65,268.61
Other financial assets	9,320.14	9,123.47
	13,32,521.23	11,50,636.22
Non-financial assets		
Current tax assets (net)	-	1,206.41
Deferred tax assets (net)	9,693.68	3,456.92
Property, plant and equipment	938.48	324.97
Right of use asset	2,495.71	1,205.55
Intangible assets under development	593.49	231.13
Goodwill	2,085.13	2,085.13
Other intangible assets	1,313.96	1,178.89
Other non- financial assets	2,425.11	1,631.42
	19,545.56	11,320.42
TOTAL ASSETS	13,52,066.79	11,61,956.64
LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
Derivative financial instruments	2,363.48	298.65
Trade payables		
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	6,726.54	13,588.16
Debt securities	1,40,785.32	1,41,372.46
Borrowings (other than debt securities)	8,37,654.22	7,63,403.14
Subordinated liabilities	-	-
Other financial liabilities	17,670.10	14,284.24
	10,05,199.66	9,32,946.65
Non-financial liabilities		
Provisions	1,578.36	2,782.77
Current tax liabilities	2,832.34	-
Other non-financial liabilities	1,540.97	1,191.89
	5,951.67	3,974.66
EQUITY		
Equity share capital	16,137.93	8,938.54
Instruments entirely equity in nature	-	8,264.64
Other equity	3,24,777.53	2,07,832.15
	3,40,915.46	2,25,035.33
TOTAL LIABILITIES AND EQUITY	13,52,066.79	11,61,956.64

See accompanying notes to the standalone financial results



Northern Arc Capital Limited
CIN: L65910TN1989PLC017021
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Statement of standalone cashflows for the year ended 31 March 2025

(All amounts are in Indian rupees in lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
A Cash flow from operating activities		
Profit before tax	44,171.77	37,542.23
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expenses	1,531.32	1,467.03
Write off of intangible assets under development	-	18.59
Interest income on loans, fixed deposits and investments	(2,18,173.69)	(1,69,934.25)
Unrealised (gain)/ loss on investments	(393.16)	123.07
Gain on investment in mutual funds	(723.69)	(409.27)
Profit on sale of investments	(716.00)	(1,100.67)
Impairment on financial instruments including amounts writtenoff	37,852.62	12,313.52
Employee share based payment expenses	1,303.88	1,735.92
Amortisation of discount on commercial papers	2,400.31	1,826.37
Finance costs	79,886.06	70,759.98
Loss on sale of plant, property and equipment	-	0.85
Interest on income tax refund	(214.92)	-
Net gain on derecognition of financial assets	(4,122.53)	(4,742.54)
Gain on account of lease foreclosed	(0.78)	(1.13)
Cash used in operations before working capital changes and adjustments	(57,198.81)	(50,400.30)
Changes in working capital and other changes:		
Decrease / (Increase) in other financial assets	5,133.74	(4,624.21)
Decrease in trade receivables	236.08	453.15
(Increase) in loans	(2,86,906.59)	(3,66,928.26)
(Increase) in other non financial assets	(793.69)	(1,029.79)
(Increase) in other bank balances	(8,943.80)	(3,665.44)
Increase in other financial liabilities	1,780.91	3,947.59
Increase in other non-financial liabilities	349.08	233.44
(Decrease) / Increase in trade payables and provisions	(8,140.08)	3,133.33
Cash used in operations before adjustments	(3,54,483.16)	(4,18,880.49)
Proceeds from de-recognition of financial assets	81,746.19	1,01,292.05
Recovery from written off assets	44,712.79	22,544.38
Interest income received on loans, fixed deposits and investments	2,15,103.87	1,64,165.32
Finance cost paid	(81,568.04)	(73,866.56)
Income tax paid (net)	(10,910.65)	(9,267.58)
Net cash used in operating activities	(A) (1,05,399.00)	(2,14,012.88)
B Cash flows from investing activities		
Purchase of property, plant and equipment	(1,623.92)	(1,069.76)
Proceeds from disposal of right of use assets	0.26	-
Purchase of investments	(3,81,225.71)	(7,02,807.95)
Proceeds from sale of investments	3,69,920.72	7,09,319.00
Investment in associate	(26,730.49)	(449.13)
Investment in subsidiary	(100.00)	(50.00)
Net cash (used in) / from investing activities	(B) (39,759.14)	4,942.16
C Cash flow from financing activities		
Proceeds from issue of debt securities	87,500.00	84,426.00
Repayment of debt securities	(87,181.54)	(63,589.70)
Proceeds from borrowings (other than debt securities)	9,87,520.00	7,70,863.11
Repayment of borrowings (other than debt securities)	(9,13,268.92)	(5,82,877.43)
Repayment of subordinated liabilities	-	(3,995.07)
Payment of principal portion of lease liabilities	(338.00)	(492.22)
Payment of interest on lease liabilities	(270.80)	(122.85)
Share application money received pending allotment	38.84	83.76
Proceeds from issue of equity share capital including securities premium	87,154.77	496.96
Net cash generated from financing activities	(C) 1,61,154.35	2,04,792.56
Net increase in cash and cash equivalents	(A+B+C) 15,996.21	(4,278.16)
Cash and cash equivalents at the beginning of the period	16,123.83	20,401.99
Cash and cash equivalents at the end of the period	32,120.04	16,123.83

See accompanying notes to the standalone financial results



Northern Arc Capital Limited

CIN: L65910TN1989PLC017021

Regd. Office: IITM Research Park, Phase I, 10th Floor, Kanagam Village, Taramani, Chennai - 600 113

Statement of standalone financial results of Northern Arc Capital Limited (the "Company") for the quarter and year ended 31 March 2025

Notes:

- 1 Northern Arc Capital Limited ("the Company") is a Non-Banking Financial Company - Middle Layer (NBFC-ML), registered with the Reserve Bank of India ("the RBI"). The audited standalone financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules, 2015, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ('RBI Guidelines') and other accounting principles generally accepted in India, and is in compliance with Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended (the "Listing Regulations"). Any application guidance/ clarifications/ directions issued by the RBI are implemented as and when they are issued/ becomes applicable. The statement of audited standalone financial results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their respective meetings held on 19 May 2025. The standalone financial results have been subjected to audit by the statutory auditors of the Company.
- 2 During the year ended 31 March 2025, the company, pursuant to the approval by the Board of Directors and its shareholders, has made private placement offer and raised funds amounting to INR 38,200 lakhs by offering and issuing:
 - (i) 8,491,048 Series C Compulsorily Convertible Preference Shares having a face value of INR 20 each for a consideration of INR 391 per share and;
 - (ii) 1,278,772 Series C2 Compulsorily Convertible Preference Shares having a face value of INR 20 each for a consideration of INR 391 per share by way of preferential allotment.
- 3 During the year ended 31 March 2025, 51,093,024 compulsorily convertible preference shares (including 9,769,820 compulsorily convertible preference shares privately placed, as described in note 2 above), issued by the Company were converted into 52,616,624 Equity Shares of INR 10 each.
- 4 During the year ended 31 March 2025, pursuant to Northern Arc Employee Stock Option Scheme, 2016 and Northern Arc Employee Stock Option Scheme, 2018, the Board of Directors allotted 311,966 fully paid-up equity shares of INR 10 each at an aggregate premium of INR 637.26 lakhs.
- 5 During the year ended 31 March 2025, the Company has completed an Initial Public Offer ("IPO") of 29,597,646 equity shares of face value of INR 10 each at an issue price of INR 263 per equity share (INR 239 per equity share reserved for employees), comprising of offer for sale of 10,532,320 equity shares by selling shareholders and fresh issue of 19,065,326 equity shares. The equity shares of the Company were listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") on 24 September 2024. The details of IPO proceeds of INR 44,984.46 lakhs (net of share issue expenses), are as follows:

Objects of the issue	IPO Proceeds	INR in lakhs	
		Utilisation upto 31 March 2025	Unutilised as at 31 March 2025
Meet future capital requirements towards onward lending	44,984.46	44,984.46	-
Total	44,984.46	44,984.46	-

- 6 Details of loans transferred/ acquired during year ended 31 March 2025 under Master Directions RBI (Transfer of Loan Exposures) Directions, 2021 dated 24 September 2021 are given below:
Details of loans not in default transferred / acquired through assignment:

Particulars	Transferred *	INR in lakhs	
		Acquired	
		Retail	Non Retail
Aggregate amount of loans transferred/ acquired through assignment	81,746.19	25,708.77	-
Number of loans	1,78,211	63,742	-
Sale consideration	73,571.57	-	-
Number of transactions	7.00	8.00	-
Weighted average maturity (in years)	2.35	3.00	-
Weighted average holding period (in years)	0.82	0.90	-
Retention of beneficial economic interest by originator	10%	10%	-
Tangible security coverage	-	-	-
Rating-wise distribution of related loans	-	-	-

* Represents the amount of assigned portfolio

The Company has not acquired any stressed loans.



Northern Arc Capital Limited

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Statement of standalone financial results of Northern Arc Capital Limited (the "Company") for the quarter and year ended 31 March 2025

- 7 All secured listed non-convertible debentures issued by the Company are secured by way of an exclusive first charge on book debts with security to the extent as stated in the respective information memorandums. Further, the Company has maintained asset cover as stated in the respective information memorandums which is sufficient to discharge the principal amount at all times for the non-convertible debt securities issued.
- 8 Disclosures in compliance with Regulation 52(4) and 54(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31 March 2025 is attached as Annexure I.
- 9 The Company is primarily in the business of financing and accordingly there are no separate reportable segments in accordance with IND AS 108, on "Operating Segments" in respect of the Company. The Company operates in a single geographical segment, i.e., India.
- 10 The Company has entered into First Loss Default Guarantee (FLDG) arrangements with certain Lending Service Providers (LSPs) in relation to loans originated through the digital lending platform. Under these arrangements, the LSPs guarantee to cover the losses arising from borrower defaults up to a certain percentage of the loan portfolio. Based on the guidance under Ind AS 109, the Company had historically considered the expected recoveries from credit enhancements under FLDG arrangements in the computation of Expected Credit Loss (ECL).

The Reserve Bank of India (RBI), vide e-mail communication dated 16 May 2025, has directed the Company to exclude the credit enhancements under FLDG arrangements in the computation of ECL as at 31 March 2025 and absorb such impact by 30 June 2025. Pursuant to this, the Company has evaluated the total impact of such exclusion of the credit enhancements from the ECL computation to be INR 8,041 lakhs as at 31 March 2025 of which the Company during the quarter ended 31 March 2025 has recorded INR 6,835 lakhs. The exposure pertaining to remaining ECL of INR 1,206 lakhs, has subsequent to 31 March 2025, run down thereby naturally reversing the impact in the quarter ending 30 June 2025.

The above accounting treatment has resulted in a reduction of profit before tax for the quarter and year ended 31 March 2025 by INR 6,835 lakhs with a corresponding decrease in loans and advances on account of additional ECL provisions.

- 11 Figures for the quarter ended 31 March 2025 are derived in the standalone financial results by deducting the reported year to date figures for the period ended 31 December 2024 which were subject to limited review, from audited figures for the year ended 31 March 2025. Figures for the quarter ended 31 March 2024 are derived in the standalone financial results by deducting the reported year to date figures for the period ended 31 December 2023 which were subject to limited review, from audited figures for the year ended 31 March 2024.



Place: Mumbai
Date : 19 May 2025

For and on behalf of the Board of Directors of
Northern Arc Capital Limited


Ashish Mehrotra
Managing Director & CEO



Northern Arc Capital Limited
CIN: L65910TN1989PLC017021
Regd. Office: IITM Research Park, Phase I, 10th Floor, Kanagam Village, Taramani, Chennai - 600 113
Statement of standalone financial results of Northern Arc Capital Limited (the "Company") for the quarter and year ended 31 March 2025

Annexure 1:

1 Analytical ratios / disclosures required under Regulation 52(4) of the Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015

Particulars	Ref	Period ended 31 March 2025
Debt-equity ratio	1.1	2.87
Total debts to total assets	1.2	0.72
Net worth (amount in INR lakhs)	1.3	3,40,915.46
Capital redemption reserve (amount in INR lakhs)		2,660.00
Net profit after tax (amount in INR lakhs)		34,261.50
Earnings per share (of Rs. 10 each)		
- Basic		22.59
- Diluted		22.53
Gross stage 3 assets ratio	1.4	0.99%
Net stage 3 assets ratio	1.5	0.43%
Capital adequacy ratio (CRAR)	1.6	24.72%
Asset cover over listed non-convertible debentures	1.7	1.08
Net profit margin (%)	1.8	14.92%

Notes:

- 1.1 Debt-equity ratio is (debt securities+ borrowings (other than debt securities)) / net worth i.e. equity share capital.
- 1.2 Total debts to total assets is debt securities, borrowings (other than debt securities)/ total assets
- 1.3 Net worth is equal to equity share capital + other equity
- 1.4 Gross stage 3 assets ratio is gross stage 3 (loans+ investments) / gross loans + investments
- 1.5 Net stage 3 assets ratio is gross stage 3 (loans and Investments) less impairment loss allowance for stage 3 (loans and investments)/gross (loans and investments) less impairment allowance for stage 3 (loans and investments)
- 1.6 Capital adequacy ratio or capital-to-risk weighted assets ratio (CRAR) is computed by dividing company's Tier I and Tier II capital by risk weighted assets.
- 1.7 Asset cover over listed non-convertible debentures represents the number of times the listed non-convertible debentures is covered through the loans and investments provided as
- 1.8 Net profit margin (%) is profit after tax for the period/ total income
- 1.9 As per Rule 18(7)(b)(ii) of Companies (Share Capital and Debenture) Rules 2014 read with the Companies Act 2013, Debenture Redemption Reserve is not required to be created for issue of privately placed debentures by Non- Banking Finance Companies registered with Reserve Bank.

Other ratios / disclosures such as debt service coverage ratio, interest service coverage ratio, outstanding redeemable preference shares (quantity and value), debenture redemption reserve, current ratio, long term debt to working capital, bad debts to account receivable ratio, current liability ratio, debtors turnover, inventory turnover and operating margin (%) are not applicable / relevant to the Company and hence not disclosed.



Table II - Statement of Compliance with Financial Covenants as mentioned in Debenture Trust Deed

S. No	Series	ISIN	Facility	Date of Trust Deed	Face Value (in Rupees)	DTD reference for financial covenants as per Debenture Trustee Deed or Information memorandum	Compliance with Financial Covenants	If No, Reason for Non- Compliance
1	IDFC NCD_175CR_28MAR2024	INE850M07467	Non-convertible Debentures	28-Mar-24	1,00,000	Clause 10.3	Complied	Not applicable
2	NCD - FMO 620 Crs - Jun 2024	INE850M07475	Non-convertible Debentures	11-Jun-24	1,00,000	Part B - Clause 2.2	Complied	Not applicable
3	MIRAE AND ACSYS NCD_50CR_13AUG2024	INE850M07483	Non-convertible Debentures	12-Aug-24	1,00,000	Clause 2.2	Complied	Not applicable

Place: Mumbai
Date : 19 May 2025

For and on behalf of the Board of Directors of

Ashish Mahotra
Managing Director & CEO



Statement on book value of assets and compliance status of financial covenants for the secured listed non-convertible securities of the Company, as at 31 March 2025

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Pari-Passu Charge	Pari-Passu Charge	Pari-Passu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total C to H) (Note 2)	Related to only those items covered by this certificate-				
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Others assets on which there is pari-Passu charge (excluding items covered in column F)		Debt amount considered more than once (due to exclusive plus pari passu charge)		Market Value for Assets charged on Exclusive basis	Carrying /book-value for exclusive charge assets where market value is not ascertainable or applicable (Note 3)	Market Value for Pari-passu charge Assets	Carrying value/book-value for pari-passu charge assets where market value is not ascertainable or applicable	Total Value(=K+L+M+N)
		Book Value	Book Value	Yes/No	Book Value	Book Value								
ASSETS													Relating to-	
Property, Plant and Equipment		-	-	No	-	-	938.48	-	938.48					
Capital Work-in-Progress		-	-	No	-	-	-	-	-					
Right of Use Assets		-	-	No	-	-	2,495.71	-	2,495.71					
Goodwill		-	-	No	-	-	2,085.13	-	2,085.13					
Intangible Assets		-	-	No	-	-	1,313.96	-	1,313.96					
Intangible Assets under Development		-	-	No	-	-	593.49	-	593.49					
Investments	Investments	53,712.26	74,809.11	No	-	-	67,160.69	-	1,95,682.05					
Loans	Receivable from loans	32,443.05	8,89,680.49	No	-	-	1,35,114.24	-	10,57,237.78					
Inventories		-	-	No	-	-	-	-	-					
Trade Receivables		-	-	No	-	-	1,201.75	-	1,201.75					
Cash and Cash Equivalents		-	-	No	-	-	32,120.04	-	32,120.04					
Bank Balances other than Cash and Cash Equivalents		-	-	No	-	-	31,482.92	-	31,482.92					
Others		-	-	No	-	-	26,915.48	-	26,915.48					
Total		86,155.30	9,64,489.60				3,01,421.89	-	13,52,066.79					
LIABILITIES														
Debt securities to which this certificate pertains	Secured Non Convertible Debentures (NCDs)	79,852.78	-	No	-	-	-	-	79,852.78					
Other debt sharing pari-passu charge with above debt		-	-	No	-	-	-	-	-					
Other Debt		-	-	No	-	-	-	-	-					
Subordinated debt		-	-	No	-	-	-	-	-					
Borrowings		-	-	No	-	-	-	-	-					
Bank		-	7,07,867.37	No	-	-	-	-	7,07,867.37					
Debt Securities		-	44,111.42	No	-	-	16,821.12	-	60,932.54					
Others		-	1,29,786.85	No	-	-	-	-	1,29,786.85					
Trade payables		-	-	No	-	-	6,726.54	-	6,726.54					
Lease Liabilities		-	-	No	-	-	2,942.93	-	2,942.93					
Provisions		-	-	No	-	-	1,578.36	-	1,578.36					
Others		-	-	No	-	-	21,463.96	-	21,463.96					
Total		79,852.78	8,81,765.64				49,532.91	-	10,11,151.32					
Cover on Book Value (Note 1)														
		Exclusive Security Cover Ratio(Note 1)	1.08		Pari-Passu Security Cover Ratio	NA								

Note:

1. The security cover ratio pertains to listed secured debentures. Disclosure in the statement is cumulative for all the listed secured debentures of the Company.
2. Represents carrying value as per books of accounts underlying the audited financial statements of the company as at 31 March 2025.
3. Columns K to O have been left blank. This will be shared separately by the Company.

Place: Mumbai
Date: 19 May 2025

For and on behalf of the Board of Directors of
Northern Arc Capital Limited

Ashish Mehrotra
Managing Director & CEO



Walker ChandioK & Co LLP

16th Floor, Tower III,
One International Center,
S B Marg, Prabhadevi (W),
Mumbai - 400013
Maharashtra, India
T +91 22 6626 2699
F +91 22 6626 2601

Independent Auditor's Report on Consolidated Annual Financial Results of the Non-Banking Finance Company (NBFC) pursuant to the Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Northern Arc Capital Limited

Opinion

1. We have audited the accompanying consolidated annual financial results ('the Statement') of **Northern Arc Capital Limited** ('the NBFC' or 'the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), and its associates (refer Annexure 1 for the list of subsidiaries, and associates included in the Statement for the year ended **31 March 2025**, attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'). Attention is drawn to the fact that the consolidated figures for quarter ended 31 March 2024, as reported in the Statement have been approved by the Holding Company's Board of Directors but have not been subjected to audit or review.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate audited financial statements of the subsidiaries, associates, as referred to in paragraph 12 below, the Statement:
 - (i) includes the annual financial results of the entities listed in Annexure 1;
 - (ii) presents financial results in accordance with the requirements of Regulation 33 and Regulation 52 read with Regulation 63 of the Listing Regulations; and
 - (iii) gives a true and fair view, in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules, 2015, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ('RBI Guidelines') and other accounting principles generally accepted in India, of the consolidated net profit after tax and other comprehensive income and other financial information of the Group, and its associates, for the year ended 31 March 2025.



Northern Arc Capital Limited
Independent Auditor's Report on Consolidated Annual Financial Results of the Non-Banking Finance Company (NBFC) pursuant to the Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statement section of our report. We are independent of the Group and its associates, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 12 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to Note 10 to the accompanying Statement, which describes the impact of the regulatory directions received by the Holding Company from the Reserve Bank of India (RBI) vide e-mail communication dated 16 May 2025, pursuant to which the Company is required to exclude credit enhancements under First Loss Default Guarantee (FLDG) arrangement available at portfolio level as at 31 March 2025 from the computation of Expected Credit Losses (ECL) calculated as per Ind AS 109, Financial Instruments and provide for additional ECL on account of such change by 30 June 2025. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Statement

5. The Statement, which is the responsibility of the Holding Company's management and has been approved by the Holding Company's Board of Directors, has been prepared on the basis of the consolidated annual audited financial statements. The Holding Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net profit and other comprehensive income, and other financial information of the Group including its associates in accordance with the Ind AS prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, RBI Guidelines and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 read with Regulation 63 of the Listing Regulations. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of the Statement. Further, in terms of the provisions of the Act, the respective Board of Directors of the companies included in the Group and its associates covered under the Act, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Group, and its associates, and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively, for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results, that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial results have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.
6. In preparing the Statement, the respective Board of Directors of the companies included in the Group and of its associates, are responsible for assessing the ability of the Group and of its associates, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.



Page 2 of 5

Chartered Accountants

Offices in Ahmedabad, Bengaluru, Chandigarh, Chennai, Dehradun, Goa, Gurugram, Hyderabad, Indore, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandio & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India

Northern Arc Capital Limited
Independent Auditor's Report on Consolidated Annual Financial Results of the Non-Banking Finance Company (NBFC) pursuant to the Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

7. Those respective Board of Directors, are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associates.

Auditor's Responsibilities for the Audit of the Statement

8. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Act will always detect a material misstatement, when it exists. Misstatements can arise from fraud or error, and are considered material if, individually, or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.
9. As part of an audit in accordance with the Standards on Auditing, specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
 - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates, to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern;
 - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation; and
 - Obtain sufficient appropriate audit evidence regarding the financial results of the entities within the Group, and its associates, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement, of which we are the independent auditors. For the other entities included in the Statement, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.



Northern Arc Capital Limited

Independent Auditor's Report on Consolidated Annual Financial Results of the Non-Banking Finance Company (NBFC) pursuant to the Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

10. We communicate with those charged with governance of the Holding Company and such other entities included in the Statement, of which we are the independent auditors, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

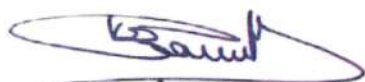
Other Matters

12. We did not audit the annual financial results of 5 subsidiaries included in the Statement, whose financial information reflects total assets of ₹ 5,769.96 lakhs as at 31 March 2025, total revenues of ₹ 6,056.65 lakhs, total net loss after tax of ₹ 3,415.30 lakhs, and net cash outflows of ₹ 970.78 lakhs for the year ended on that date, as considered in the Statement. The Statement also includes the Group's share of net loss after tax of ₹ 210.91 lakhs for the year ended 31 March 2025, in respect of 1 associate, whose annual financial results have not been audited by us. These annual financial results have been audited by other auditors whose audit reports have been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries / associate is based solely on the audit reports of such other auditors and the procedures performed by us as stated in paragraph 3 above.
13. The Statement includes the consolidated financial results for the quarter ended 31 March 2025, being the balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited year-to-date consolidated figures up to the third quarter of the current financial year, which were subject to limited review by us.
14. The audit of consolidated financial results for the corresponding year ended 31 March 2024 included in the Statement was carried out and reported by S.R. Batliboi & Associates LLP who have expressed unmodified opinion vide their audit report dated 29 May 2024, whose reports have been furnished to us and which have been relied upon by us for the purpose of our audit of the Statement. Our opinion is not modified in respect of this matter.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No:001076N/N500013



Khushroo B. Panthaky

Partner

Membership No:042423

UDIN: 25042423BMNRBO3326

Place: Nagpur

Date: 19 May 2025

Northern Arc Capital Limited
Independent Auditor's Report on Consolidated Annual Financial Results of the Non-Banking Finance Company (NBFC) pursuant to the Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

Annexure 1

List of entities included in the Statement

Subsidiaries:

Northern Arc Investment Managers Private Limited
Northern Arc Investment Advisers Private Limited
Pragati Finserv Private Limited
Northern Arc Securities Private Limited
Northern Arc Foundation
Northern Arc Employee Welfare Trust

Associates:

Finreach Solutions Private Limited
Northern Arc Emerging Corporates Bond Trust



NORTHERN ARC CAPITAL LIMITED

CIN: L65910TN1989PLC017021

Regd. Office: IITM Research Park, Phase I, 10th Floor, Kanagam Village, Taramani, Chennai - 600 113
Statement of audited Consolidated Financial Results for the quarter and year ended March 31, 2025

Particulars	(All amounts are in Indian rupees in lakhs, unless otherwise stated)				
	Quarter ended		Refer Note i	Year ended	
	31 March 2025	31 December 2024		31 March 2025	31 March 2024
	Audited	Unaudited		Audited	Audited
1 Total Income from Operations	60,251.92	57,607.51	55,960.32	2,34,161.03	1,89,008.42
2 Net Profit for the period (before tax, exceptional and/ or extraordinary items)	3,500.56	9,404.09	11,382.54	38,608.06	42,023.61
3 Net Profit for the period before tax, (after exceptional and/ or extraordinary items)	3,500.56	9,404.09	11,382.54	38,608.06	42,023.61
4 Net Profit for the period after tax, (after exceptional and/ or extraordinary items)	3,837.67	7,317.77	8,552.75	30,131.81	31,769.27
Owners of the holding company	3,776.16	7,562.44	8,881.05	30,454.79	30,833.39
Non-controlling Interest	61.51	(244.67)	(328.30)	(322.98)	935.88
5 Total Comprehensive income for the period [Comprising profit for the period (after tax) and other comprehensive income (after tax)]	2,675.18	8,218.17	9,871.00	27,201.93	33,794.62
Owners of the holding company	2,615.64	8,462.70	10,200.05	27,528.10	32,850.40
Non-controlling Interest	59.54	(244.53)	(329.05)	(326.17)	944.22
6 Paid up Equity Share Capital	16,137.93	16,137.93	8,938.54	16,137.93	8,938.54
7 Reserves (excluding Revaluation Reserve)	3,27,286.94	3,24,353.20	2,14,235.38	3,27,286.94	2,14,235.38
8 Securities Premium	1,70,902.38	1,70,907.83	86,366.40	1,70,902.38	86,366.40
9 Net worth (Equity and preference share capital + Reserve and surplus excluding revaluation reserve)	3,43,424.87	3,40,491.12	2,31,438.56	3,43,424.87	2,31,438.56
10 Paid up Debt Capital/ Outstanding debt	-	-	-	-	-
11 Outstanding Redeemable Preference Shares	-	-	-	-	-
12 Debt Equity Ratio (Refer note b)	2.87	2.52	3.90	2.87	3.90
13 Earnings per share (of Rs. 10 each) (not annualised for quarter ends)					
Basic	2.34	4.69	9.66	20.08	34.61
Diluted	2.33	4.66	6.71	20.03	23.40
14 Capital Redemption Reserve	3,467.00	3,467.00	3,467.00	3,467.00	3,467.00
15 Debenture Redemption Reserve (Refer note c)	NA	NA	NA	NA	NA
16 Debt Service Coverage Ratio (Refer note d)	NA	NA	NA	NA	NA
17 Interest Service Coverage Ratio (Refer note d)	NA	NA	NA	NA	NA

Note:

- a The Sl. No. 1 to 7, 9 and 13 are extracts from the detailed format of statement of audited consolidated financial results for the quarter and year ended March 31, 2025 filed with the stock exchange under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the statement of audited consolidated financial results for the quarter and year ended March 31, 2025 are available on the websites of the stock exchange and the Company.
- b Debt-equity ratio is (debt securities+ borrowings (other than debt securities)+subordinated liabilities) / net worth i.e. equity share capital + instruments entirely equity in nature + other equity
- c As per Rule 18(7)(b)(ii) of Companies (Share Capital and Debenture) Rules 2014 read with the Companies Act 2013, Debenture Redemption Reserve is not required to be created for issue of privately placed debentures by Non-Banking Finance Companies registered with Reserve Bank.
- d Debt service coverage ratio and Interest service coverage ratio is not applicable for Non Banking Finance Company (NBFC) and accordingly no disclosure has been made.
- e During the year ended March 31, 2025, the Holding Company has completed an Initial Public Offer ("IPO") of 2,95,97,646 equity shares of face value of Rs 10 each at an issue price of Rs 263 per equity share (Rs 239 per equity share reserved for employees), comprising of offer for sale of 1,05,32,320 equity shares by selling shareholders and fresh issue of 1,90,65,326 equity shares. The equity shares of the Holding Company were listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") on 24th September 2024.
- f The above financial results of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, prescribed under section 133 of the Companies Act 2013 ('the Act') read with relevant rules issued thereunder and the other accounting principles generally accepted in India. Any application guidance/ clarifications/ directions issued by the Reserve Bank of India or other regulators are implemented as and when they are issued/ applicable. These audited consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on May 19, 2025 and have been subjected to a audit by the statutory auditors of the Holding Company. The auditors have issued an unmodified opinion on the financial results.
- g In terms of the requirement as per RBI notification no. RBI/ 2019/170 DOR (NBFC) CC PD No. 109/22 10.106/2019-20 dated 13 March 2020 on implementation of Indian Accounting Standards. Non Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and income recognition asset classification and provisioning (IRACP) norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including provision on standard assets) as at March 31, 2025 and accordingly, no amount is required to be transferred to impairment reserve.
- h In compliance with regulations of the Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations 2015, audit of financial results for the quarter and year ended March 31, 2025 has been carried out by the Statutory Auditors of the Company.
- i The comparative figures for the quarter and year ended March 31, 2024 included in these audited Consolidated Financial Results have been neither reviewed nor audited by the statutory auditors of the Holding Company. Management of the Group and associate has taken necessary care and diligence to ensure that the financial results for such periods are fairly stated.
- j Figures for the quarter ended March 31, 2025 are derived in the standalone financial results by deducting the reported year to date figures for the period ended December 31, 2024 which were subject to limited review, from audited figures for the year ended March 31, 2025. Figures for the quarter ended March 31, 2024 are derived in the standalone financial results by deducting the reported year to date figures for the period ended December 31, 2023 which were subject to limited review, from audited figures for the year ended March 31, 2024.
- k For the items referred in sub-clauses (a), (b), (d) of the Regulation 52 (4) of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015, the pertinent disclosures have been made to the Stock Exchange(s) Bombay Stock Exchange and National Stock Exchange of India Limited in annexure 1 annexed to the audited standalone financial results, which can be accessed on the URL <https://www.northernarc.com/financial-results>

Place : Mumbai
Date : May 19, 2025




Ashish Mehrotra
Managing Director & CEO



(All amounts are in Indian rupees in lakhs, unless otherwise stated)

Particulars	Quarter ended			Year ended	
	31 March 2025	31 December 2024	31 March 2024	31 March 2025	31 March 2024
	Audited	Unaudited	Refer Note 3	Audited	Audited
Revenue from operations					
Interest income	55,075.98	52,338.27	49,421.46	2,17,608.94	1,71,211.16
Fee and commission income	2,641.49	2,293.94	3,725.70	9,264.25	8,492.77
Net gain on fair value changes	922.67	1,351.35	1,103.29	3,165.31	4,561.95
Net gain on derecognition of financial instruments	1,611.78	1,623.95	1,709.87	4,122.53	4,742.54
Total revenue from operations	60,251.92	57,607.51	55,960.32	2,34,161.03	1,89,008.42
Other income	419.88	462.87	452.16	1,412.70	1,594.83
Total income	60,671.80	58,070.38	56,412.48	2,35,573.73	1,90,603.25
Expenses					
Finance costs	20,005.26	21,370.71	20,393.52	82,835.99	72,638.50
Fees and commission expense	6,403.14	7,993.72	9,511.89	28,852.49	22,081.94
Employee benefits expenses	6,832.23	7,383.09	6,742.56	28,467.30	24,160.72
Impairment on financial instruments	19,365.37	8,146.86	2,390.16	40,484.89	12,243.79
Depreciation and amortisation	496.33	586.64	465.77	1,788.18	1,694.42
Other expenses	4,019.38	3,140.04	5,595.03	14,334.86	15,663.06
Total expenses	57,121.71	48,621.06	45,098.93	1,96,763.71	1,48,482.43
Profit before share of profit/loss of associate and taxes	3,550.09	9,449.32	11,313.55	38,810.02	42,120.82
Share of (loss) / gain from associates	(49.53)	(45.23)	68.99	(201.96)	(97.21)
Profit before tax	3,500.56	9,404.09	11,382.54	38,608.06	42,023.61
Tax expense					
Current tax	4,099.60	4,381.11	2,885.27	16,395.78	10,881.12
Adjustment of tax relating to earlier periods	(1,000.32)	0.61	44.77	(999.71)	46.92
MAT credit entitlement	(0.64)	-	1.90	(0.64)	-
Deferred tax benefit	(3,435.75)	(2,295.40)	(102.15)	(6,919.18)	(673.70)
Total tax expense	(337.11)	2,086.32	2,829.79	8,476.25	10,254.34
Profit for the period / year	3,837.67	7,317.77	8,552.75	30,131.81	31,769.27
Other comprehensive income					
Items that will not be reclassified to profit or loss in subsequent periods					
Remeasurement (loss) / gain on the defined benefit plans	(82.34)	(0.29)	64.41	(105.55)	116.50
Income tax relating to items that will not be reclassified to profit or loss	20.73	0.07	(16.22)	26.57	(29.32)
	(61.61)	(0.22)	48.19	(78.98)	87.18
Items that will be reclassified to profit or loss in subsequent periods					
Net gain/ (loss) on Financial Instruments through other comprehensive income	3,381.93	(2,389.60)	682.36	(2,908.30)	1,228.99
Income tax relating to items that will be reclassified to profit or loss	(851.24)	601.46	(171.75)	732.01	(309.34)
	2,530.69	(1,788.14)	510.61	(2,176.29)	919.65
Net (loss) / gain on effective portion of Cash flow hedges	(4,853.10)	3,593.16	1,014.90	(901.53)	1,362.19
Income tax relating to items that will be reclassified to profit or loss	1,221.53	(904.40)	(255.45)	226.92	(342.86)
	(3,631.57)	2,688.76	759.45	(674.61)	1,019.33
Share of other comprehensive income from associates	-	-	-	-	(0.81)
Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
	-	-	-	-	(0.81)



Northern Arc Capital Limited
CIN: L65910TN1989PLC017021

Regd. Office: IITM Research Park, Phase I, 10th Floor, Kanagam Village, Taramani, Chennai - 600 113

Statement of consolidated financial results of Northern Arc Capital Limited (the Holding Company) for the quarter and year ended 31 March 2025

(All amounts are in Indian rupees in lakhs, unless otherwise stated)

Particulars	Quarter ended			Year ended	
	31 March 2025	31 December 2024	31 March 2024	31 March 2025	31 March 2024
	Audited	Unaudited	Refer Note 3	Audited	Audited
Other comprehensive (loss) income for the year / period (net of income taxes)	(1,162.49)	900.40	1,318.25	(2,929.88)	2,025.35
Total comprehensive income for the year / period (net of income taxes)	2,675.18	8,218.17	9,871.00	27,201.93	33,794.62
Profit for the year / period attributable to					
Owners of the holding company	3,776.16	7,562.44	8,881.05	30,454.79	30,833.39
Non-controlling Interest	61.51	(244.67)	(328.30)	(322.98)	935.88
Other comprehensive income for the year / period, net of income taxes					
Owners of the holding company	(1,160.52)	900.26	1,319.00	(2,926.69)	2,017.01
Non-controlling Interest	(1.97)	0.14	(0.75)	(3.19)	8.34
Total comprehensive income for the year / period, net of income taxes					
Owners of the holding company	2,615.64	8,462.70	10,200.05	27,528.10	32,850.40
Non-controlling Interest	59.54	(244.53)	(329.05)	(326.17)	944.22
Earnings per equity shares, of INR 10 each [Equity shares, par value of Rs.10 each] *					
Basic (in rupees)	2.34	4.69	9.66	20.08	34.61
Diluted (in rupees)	2.33	4.66	6.71	20.03	23.40

* Earnings per share for the quarters are not annualized

See accompanying notes to the audited consolidated financial results



Northern Arc Capital Limited
CIN: L65910TN1989PLC017021

Regd. Office: IITM Research Park, Phase I, 10th Floor, Kanagam Village, Taramani, Chennai - 600 113
Statement of audited consolidated financial results of Northern Arc Capital Limited (the Holding Company) for the
quarter and year ended 31 March 2025

Statement of audited consolidated assets and liabilities as at 31 March 2025

(All amounts are in Indian rupees in lakhs, unless otherwise stated)

Particulars	As at 31 March 2025 (Audited)	As at 31 March 2024 (Audited)
ASSETS		
Financial assets		
Cash and cash equivalents	33,026.83	17,940.08
Bank balances other than cash and cash equivalents	31,708.44	22,834.26
Derivative financial instruments	5,476.55	5,481.94
Trade receivables	2,069.13	2,534.94
Loans	10,57,237.78	9,20,958.93
Investments	1,77,715.46	1,78,070.50
Investment in associates	27,440.88	388.65
Other financial assets	6,878.70	8,391.42
	13,41,553.77	11,56,600.72
Non-financial assets		
Current tax assets (net)	609.51	2,404.34
Deferred tax assets (net)	11,319.20	3,475.92
Property, plant and equipment	1,279.68	666.22
Right of use asset	2,711.97	1,472.23
Intangible assets under development	593.48	231.13
Goodwill	2,340.82	2,347.77
Other intangible assets	1,285.34	1,179.25
Other non- financial assets	2,113.44	2,388.31
	22,253.44	14,165.17
TOTAL ASSETS	13,63,807.21	11,70,765.89
LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
Derivative financial instruments	2,363.48	298.65
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	6,945.54	12,848.32
Debt securities	1,40,785.32	1,41,372.46
Borrowings (Other than debt securities)	8,45,214.61	7,63,403.15
Other financial liabilities (including lease liabilities)	17,971.04	15,505.82
	10,13,279.99	9,33,428.40
Non-financial liabilities		
Provisions	1,930.88	3,206.48
Current tax liabilities (net)	2,832.34	461.50
Deferred tax liabilities (net)	-	71.89
Other non-financial liabilities	1,807.67	1,556.46
	6,570.89	5,296.33
EQUITY		
Equity share capital	16,137.93	8,938.54
Instruments entirely equity in nature	-	8,264.64
Other equity	3,27,286.94	2,14,235.38
Equity attributable to the equity holders of the holding company	3,43,424.87	2,31,438.56
Non-controlling interest (NCI)	531.46	602.60
Total equity	3,43,956.33	2,32,041.16
Total liabilities and equity	13,63,807.21	11,70,765.89

See accompanying notes to the audited consolidated financial results



Northern Arc Capital Limited
CIN: L65910TN1989PLC017021
Regd. Office: IITM Research Park, Phase I, 10th Floor, Kanagam Village, Taramani, Chennai - 600 113
Statement of consolidated financial results of Northern Arc Capital Limited (the Holding Company) for the quarter and year ended 31 March 2025
Statement of audited consolidated cash flows for the year ended 31 March 2025

(All amounts are in Indian rupees in lakhs, unless otherwise stated)

Particulars	Year ended 31 March 2025	Year ended March 31, 2024
A Cash flow from operating activities		
Profit before tax	38,608.06	42,023.61
Adjustments to reconcile restated profit before tax to net cash flows:		
Depreciation and amortisation expenses	1,788.65	1,694.42
Write off of intangible assets under development	-	18.59
Unrealised loss on investments	1,366.38	572.50
Interest income on loans, fixed deposits and investments	(2,17,787.52)	(1,69,653.43)
Gain on investments in mutual fund	(731.47)	(1,046.17)
(Profit)/Loss on sale of investments	(731.75)	(1,175.93)
Impairment on financial instruments and amounts written off	37,852.62	12,243.79
Employee share based payment expenses	1,558.91	1,735.92
(Profit)/loss on sale of plant, property and equipments	-	0.85
(Gain)/loss on account of lease foreclosed	(0.78)	(1.13)
Amortisation of discount on commercial papers	2,400.31	1,826.37
Share of loss of Associate	201.96	97.21
Interest on income tax refund	(215.10)	-
Net gain on derecognition of financial assets	(4,122.53)	(4,742.54)
Finance costs	80,435.68	70,838.64
Cash used in operations before working capital changes and adjustments	(59,376.58)	(45,567.30)
Changes in working capital and other changes:		
Decrease/(Increase) in other financial assets	5,416.13	(2,076.75)
Decrease in trade receivables	1,978.42	932.10
(Increase) in loans	(2,86,906.59)	(3,56,829.95)
Decrease/(Increase) in other non-financial assets	528.90	(949.23)
(Increase) in other bank balances	(8,952.11)	(3,665.44)
(Increase) / Decrease in investments	-	(14,053.95)
Decrease in other financial liabilities	1,813.58	2,211.05
Decrease in other non-financial liabilities	1,357.08	306.67
(Decrease) / Increase in trade payables and provisions	(8,789.97)	2,351.89
Cash used in operations before adjustments	(3,52,931.14)	(4,17,340.91)
Proceeds from de-recognition of financial assets	81,746.19	1,01,292.05
Interest income received on loans, fixed deposits and investments	2,14,482.46	1,63,802.25
Recovery from written off assets	44,712.79	22,544.38
Finance cost paid	(82,117.66)	(73,866.56)
Income tax paid (net)	(10,560.17)	(9,875.68)
Net cash flow used in operating activities	(1,04,667.53)	(2,13,444.47)
B Cash flows from investing activities		
Purchase of property, plant and equipment (net of proceeds)	(1,807.55)	(1,369.88)
Purchase of investments	(3,81,172.11)	(7,04,676.81)
Proceeds from sale of investments	3,70,436.47	7,09,927.60
Term deposit with scheduled banks	401.93	103.11
Investment in associate	(26,730.49)	(449.13)
Interest income received	51.02	69.58
Net cash (used in)/generated from investing activities	(38,820.73)	3,604.47
C Cash flow from financing activities		
Proceeds from issue of debt securities	87,500.00	84,426.00
Repayment of debt securities	(87,181.54)	(63,589.70)
Proceeds from borrowings (other than debt securities)	9,98,902.61	7,85,124.40
Repayment of borrowings (other than debt securities)	(9,27,188.99)	(5,97,309.15)
Repayment of Subordinated liabilities	-	(3,995.07)
Payment of principal portion of lease liabilities	(379.88)	(516.06)
Payment of interest on lease liabilities	(270.80)	(175.01)
Proceeds from issue of equity share capital including securities premium	87,154.77	496.96
Share application money received pending allotment	38.84	83.76
Net cash flow from financing activities	1,58,575.01	2,04,546.13
Net increase / (decrease) in cash and cash equivalents	15,086.75	(5,293.87)
Cash and cash equivalents at the beginning of the year	17,940.08	23,233.95
Cash and cash equivalents at the end of the year	33,026.83	17,940.08

See accompanying notes to the audited consolidated financial results



Northern Arc Capital Limited
CIN: L65910TN1989PLC017021

Regd. Office: IITM Research Park, Phase I, 10th Floor, Kanagam Village, Taramani, Chennai - 600 113

Statement of audited consolidated financial results of Northern Arc Capital Limited (the Holding Company) for the quarter and year ended 31 March 2025

Notes:

- 1 The audited consolidated financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules, 2015, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ('RBI Guidelines') and other accounting principles generally accepted in India, and is in compliance with Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended (the "Listing Regulations"). These audited consolidated financial results, have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 19 May 2025 and have been subjected to a audit by the statutory auditors of the Holding Company. Also refer Note 3 below.
- 2 The audited Consolidated Financial Results include the financial results of the Holding Company, its subsidiaries (collectively referred as "Group") and its associate listed in Annexure I.
- 3 The comparative figures for the quarter ended 31 March 2024 included in these audited consolidated financial results have been neither reviewed nor audited by the statutory auditors of the Holding Company. Management of the Group and associates has taken necessary care and diligence to ensure that the financial results for such periods are fairly stated.
- 4 During the year ended 31 March 2025, the Holding Company, pursuant to the approval by the Board of Directors and its shareholders, has made private placement offer and raised funds amounting to INR 38,200 lakhs by offering and issuing:
 - (i) 8,491,048 Series C Compulsorily Convertible Preference Shares having a face value of INR 20 each for a consideration of INR 391 per share and;
 - (ii) 1,278,772 Series C2 Compulsorily Convertible Preference Shares having a face value of INR 20 each for a consideration of INR 391 per share by way of preferential allotment.
- 5 During the year ended 31 March 2025, 51,093,024 compulsorily convertible preference shares (including 9,769,820 compulsorily convertible preference shares privately placed, as described in note 4 above), issued by the Holding Company were converted into 52,616,624 Equity Shares of the Holding Company of INR 10 each.
- 6 During the year ended 31 March 2025, the Holding Company has completed an Initial Public Offer ("IPO") of 29,597,646 equity shares of face value of INR 10 each at an issue price of INR 263 per equity share (INR 239 per equity share reserved for employees), comprising of offer for sale of 10,532,320 equity shares by selling shareholders and fresh issue of 19,065,326 equity shares. The equity shares of the Holding Company were listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") on 24 September 2024. The details of IPO proceeds of INR 449,844.60 lakhs (net of share issue expenses), are as follows:

Objects of the issue	IPO Proceeds	Utilisation upto 31 March 2025	Unutilised as at 31 March 2025
Meet future capital requirements towards onward lending	4,49,844.60	4,49,844.60	



Northern Arc Capital Limited

CIN: L65910TN1989PLC017021

Regd. Office: IITM Research Park, Phase I, 10th Floor, Kanagam Village, Taramani, Chennai - 600 113

Statement of audited consolidated financial results of Northern Arc Capital Limited (the Holding Company) for the quarter and year ended 31 March 2025

Total	4,49,844.60	4,49,844.60	-
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- 7 During the year ended 31 March 2025, pursuant to Northern Arc Employee Stock Option Scheme, 2016 and Northern Arc Employee Stock Option Scheme, 2018, the Board of Directors allotted 311,966 fully paid-up equity shares of INR 10 each at an aggregate premium of INR 637.26 lakhs.
- 8 The segment reporting in accordance with Ind AS 108 on "Operating Segments" in respect of the consolidated financials results are given in Annexure II.
- 9 All secured listed non-convertible debentures issued by the Holding Company are secured by way of an exclusive first charge on book debts with security to the extent as stated in the respective information memorandums. Further, the Holding Company has maintained asset cover as stated in the respective information memorandums which is sufficient to discharge the principal amount at all times for the non-convertible debt securities issued.
- 10 The Holding Company has entered into First Loss Default Guarantee (FLDG) arrangements with certain Lending Service Providers (LSPs) in relation to loans originated through the digital lending platform. Under these arrangements, the LSPs guarantee to cover the losses arising from borrower defaults up to a certain percentage of the loan portfolio. Based on the guidance under Ind AS 109, the Company had historically considered the expected recoveries from credit enhancements under FLDG arrangements in the computation of Expected Credit Loss (ECL).

The Reserve Bank of India (RBI), vide e-mail communication dated 16 May 2025, has directed the Company to exclude the credit enhancements under FLDG arrangements in the computation of ECL as at 31 March 2025 and absorb such impact by 30 June 2025. Pursuant to this, the Holding Company has evaluated the total impact of such exclusion of the credit enhancements from the ECL computation to be INR 8,041 lakhs as at 31 March 2025 of which the Holding Company during the quarter ended 31 March 2025 has recorded INR 6,835 lakhs. The exposure pertaining to remaining ECL of INR 1,206 lakhs, has subsequent to 31 March 2025, run down thereby naturally reversing the impact in the quarter ending 30 June 2025.

The above accounting treatment has resulted in a reduction of profit before tax for the quarter and year ended 31 March 2025 by INR 6,835 lakhs with a corresponding decrease in loans and advances on account of additional ECL provisions.

Place: Mumbai
Date : 19 May 2025



For and on behalf of the Board of Directors


Ashish Mehrotra
Managing Director & CEO



Northern Arc Capital Limited

CIN: L65910TN1989PLC017021

Regd. Office: IITM Research Park, Phase I, 10th Floor, Kanagam Village, Taramani, Chennai - 600 113

Statement of audited consolidated financial results of Northern Arc Capital Limited (the Holding Company) for
the quarter and year ended 31 March 2025

Annexure I : List of entities included in the Consolidated Financial Results

Subsidiaries:

1. Northern Arc Investment Adviser Services Private Limited
2. Northern Arc Investment Managers Private Limited
3. Northern Arc Foundation
4. Pragathi Finserv Private Limited
5. Northern Arc Capital Employee Welfare Trust
6. Northern Arc Securities Private Limited

Associate:

1. Finreach Solutions Private Limited
2. Northern Arc Emerging Corporates Bond Trust



Statement of audited consolidated financial results of Northern Arc Capital Limited (the Holding Company) for the quarter and year ended 31 March 2025

(All amounts are in Indian Rupees in lakhs, except share data and unless otherwise stated)

Annexure II - Audited Consolidated Segment wise Revenue, Results, Segment Assets, Segment Liabilities and Capital Employed

Particulars	Quarter ended			Year ended	
	31 March 2025	31 December 2024	31 March 2024	31 March 2025	31 March 2024
Segment Revenue					
Financing activity	58,802.87	55,007.47	55,296.27	2,28,434.01	1,84,048.11
Investment advisory services	-	-	(16.11)	-	-
Investment management services	929.69	2,335.97	937.35	5,046.10	3,550.48
Portfolio management services	-	-	(290.04)	-	1,628.10
Others	86.03	1,732.44	3,854.40	6,034.05	10,675.09
Total segment revenue	59,818.59	59,075.88	59,781.87	2,39,514.16	1,99,901.78
Less: Intersegment revenue	433.33	(1,468.37)	(3,389.04)	(5,353.13)	(10,893.36)
Total revenue from operations	60,251.92	57,607.51	56,392.83	2,34,161.03	1,89,008.42
Segment Results (Profit before other income)					
Financing activity	7,863.12	11,962.04	10,165.50	46,498.77	36,515.78
Investment advisory services	5.21	(1.35)	(17.64)	-	(6.30)
Investment management services	(10.47)	531.17	(413.40)	60.67	(14.43)
Portfolio management services	-	-	(248.11)	-	1,392.46
Others	(4,727.65)	(3,505.41)	1,807.52	(9,162.12)	2,638.48
Total	3,130.21	8,986.45	11,293.87	37,397.32	40,525.99
Add: Other income	419.88	462.87	19.65	1,412.70	1,594.83
Less: Share of loss post tax from associate	(49.53)	(45.23)	68.99	(201.96)	(97.21)
Profit before tax	3,500.56	9,404.09	11,382.51	38,608.06	42,023.61
Segment assets					
Financing activity	13,45,255.13	12,18,646.74	11,47,464.99	13,45,255.13	11,47,464.99
Investment advisory services	367.86	398.29	397.55	367.86	397.55
Investment management services	13,336.91	14,635.92	16,731.92	13,336.91	16,731.92
Portfolio management services	-	-	-	-	-
Others	4,672.68	6,239.37	5,996.80	4,672.68	5,996.80
Unallocated	174.63	174.63	174.63	174.63	174.63
Total	13,63,807.21	12,40,094.95	11,70,765.89	13,63,807.21	11,70,765.89
Segment Liabilities					
Financing activity	10,09,909.75	8,88,965.38	9,35,813.53	10,09,909.75	9,35,813.53
Investment advisory services	0.82	29.97	5.66	0.82	5.66
Investment management services	8,274.42	8,590.72	1,209.81	8,274.42	1,209.81
Portfolio management services	-	-	-	-	-
Others	1,665.89	1,609.59	1,695.74	1,665.89	1,695.74
Total	10,19,850.88	8,99,195.66	9,38,724.74	10,19,850.88	9,38,724.74
Capital employed (Segment assets - Segment liabilities)					
Financing activity	3,35,345.38	3,29,681.36	2,11,651.46	3,35,345.38	2,11,651.46
Investment advisory services	367.04	368.32	391.89	367.04	391.89
Investment management services	5,062.49	6,045.20	15,522.11	5,062.49	15,522.11
Portfolio management services	-	-	-	-	-
Others	3,181.42	4,804.41	4,475.69	3,181.42	4,475.69



May 19, 2025

To, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 Scrip Code: 544260	To, National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051 Scrip Symbol: NORTHARC
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Sub: Declaration pursuant to Regulation 33(3)d and 52(3)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 33(3)d and 52(3)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby declare that M/s. Walker Chandiok & Co LLP, Chartered Accountants, the Statutory Auditors of the Company have issued the Audit Report with unmodified opinion on Annual Audited Standalone & Consolidated Financial Results of the Company for the Financial Year ended March 31, 2025.

For Northern Arc Capital Limited



Atul Tibrewal
Chief Financial Officer



Northern Arc Capital Limited

Registered Office:

10th Floor, Phase-I, IIT-Madras Research Park, Kanagam Village, Taramani, Chennai – 600 113, India
+91 44 6668 7000 | contact@northernarc.com | www.northernarc.com
CIN.: L65910TN1989PLC017021

May 19, 2025

To,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400001
Scrip Code: 544260

Dear Sir/Madam,

Sub: Disclosure under Regulation 52(7) and 52(7A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the quarter ended March 31, 2025:

As required under Regulation 52(7) and 52(7A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby confirm the following for the quarter ended **March 31, 2025**.

Name of the issuer	ISIN	Mode of Fund raising (Public/Private placement)	Type of instrument	Date of raising funds	Amount of raising funds (Rs. In Crores)	Funds utilized (Rs. In Crores)	Any deviation (Yes/No)	If any deviation, then specify the purpose of for which the funds were utilised	Remarks, if any
Northern Arc Capital Limited	INE850M07343	Private Placement	NCD	18-12-2020	294.90	294.90	No	NA	Nil
Northern Arc Capital Limited	INE850M07400	Private Placement	NCD	23-03-2021	180	180	No	NA	Nil
Northern Arc Capital Limited	INE850M07434	Private Placement	NCD	21-09-2022	395	395	No	NA	Nil
Northern Arc Capital Limited	INE850M07467	Private Placement	NCD	28-03-2024	150	150	No	NA	Nil
Northern Arc Capital Limited	INE850M07467	Private Placement	NCD	28-03-2024	25	25	No	NA	Nil
Northern Arc Capital Limited	INE850M07475	Private Placement	NCD	14-06-2024	620	620	No	NA	Nil
Northern Arc Capital Limited	INE850M07483	Private Placement	NCD	13-08-2024	30	30	No	NA	Nil
Northern Arc Capital Limited	INE850M07483	Private Placement	NCD	13-08-2024	20	20	No	NA	Nil

Northern Arc Capital Limited

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CIN: L65910TN1989PLC017021



Statement of Deviation/variation in use of issue proceeds for the quarter ended March 31, 2025:

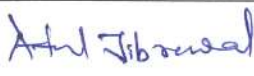
Particulars	Remarks
Name of listed entity	Northern Arc Capital Limited
Mode of raising funds	Private Placement
Type of instrument	Non-convertible debentures
Date of raising funds (Rs. In Crores)	Please refer above
Amounts raised (Rs. In Crores)	Please refer above
Report filed for the quarter ended	Mar 31, 2025
Is there a deviation/ variation in use of funds raised?	No deviation/variation
Whether any approval is required to vary the objects of the issue stated in the prospectus/ offer document?	Yes
If yes, details of the approval so required?	NA
Date of approval	NA
Explanation for the deviation/ variation	NA
Comments of the audit committee after review	NA
Comments of the auditors, if any	NA

Objects for which funds have been raised and where there has been a deviation/ variation, in the following table:

Original Object	Modified Object, if any	Original Allocation	Modified Allocation	Funds utilized	Amount of Deviation/ Variation for the half year according to applicable object (INR Crores and in %)	Remarks
-	-	-	-	-	-	-

Deviation could mean:

- Deviation in the objects or purposes for which the funds have been raised.
- Deviation in the amount of funds actually utilized as against what was originally disclosed.


Name of signatory: Atul Tibrewal
Designation: Chief Financial Officer
Date:



For Northern Arc Capital Limited


Prakash Chandra Panda
Company Secretary & Compliance Officer



Northern Arc Capital Limited

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CIN: L65910TN1989PLC017021

May 19, 2025

To,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400001
Scrip Code: 544260

Dear Sir/Madam,

Sub: Disclosure of nature and extent of security created for the listed non-convertible debt securities of the Company as per Regulation 54 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 54(2) and 54(3) of SEBI (LODR) Regulations, 2015 read with SEBI Circular SEBI/HO/MIRSD/MIRSD_CRADT/CIR/P/2022/67 dated May 19, 2022, please find enclosed herewith the Security Cover certificate as on March 31, 2025.

The Secured redeemable non-convertible debentures issued by the Company are secured by exclusive charge on hypothecation of specific loan receivables with a security cover of up to 108% as per the terms of issue is enclosed.

Request you to please take the above intimation on record.

Thanking you.

Yours sincerely,

For Northern Arc Capital Limited



Prakash Chandra Panda
Company Secretary & Compliance Officer



CC:

Catalyst Trusteeship Limited,
GDA House, Plot No.85,
Bhusari Colony (Right),
Paud Road,
Pune 411 038.

Northern Arc Capital Limited

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CIN: L65910TN1989PLC017021



Press Release

Mumbai, May 19, 2025: Northern Arc Capital Limited announced its results for the full year and quarter ended March 31, 2025, on May 19, 2025.

Key highlights for Q4FY25 & FY25

- **Pre-provision operating profit (PPoP) grew by 46% YoY to INR 791 Cr for FY25 and by 66% YoY to INR 229 Cr in Q4FY25**
- **Profit after tax for FY25 was INR 305 Cr in FY25**
- **Lending Assets Under Management (AUM) grew by 16% YoY to INR 13,634 Cr**
- **Gross NPA and Net NPA ratio was 0.93% and 0.36% respectively as on March 31, 2025**
- **Networth grew by 48% YoY to INR 3,434 Cr**
- **Healthy capital adequacy ratio of 24.7% as on March 31, 2025.**

Summary of Northern Arc's Performance – Q4FY25 & FY25:

➤ **Assets**

- Lending AUM grew by 16% YoY to INR 13,634 Cr as on March 31, 2025
- Performing Credit Fund AUM grew by 10% YoY to INR 3,158 Cr as on March 31, 2025
- Gross Transaction Volume for FY25 was INR 35,058 Cr, up 20% YoY
 - Of which, Disbursements grew by 33% YoY to INR 19,840 Cr
- Gross Transaction Volume for Q4FY25 was INR 10,814 Cr, up 23% YoY
 - Of which, Disbursements grew by 19% YoY to INR 5,593 Cr

➤ **Financials**

- Net Interest Income grew by 33% YoY to INR 1,147 Cr in FY25 & 39% YoY to INR 320 Cr in Q4FY25
- Fee & Other income was INR 102 Cr in FY25 and INR 30 Cr in Q4FY25
- Opex ratio improved by 40 bps YoY to 3.6% in FY25
- PPoP grew by 46% YoY to INR 791 Cr in FY25 and 66% YoY to INR 229 Cr in Q4FY25
- Credit cost was INR 405 Cr for FY25 and INR 194 Cr in Q4FY25
- Profit after tax for FY25 was flat YoY at INR 305 Cr and INR 38 Cr in Q4FY25. The performance was impacted mainly due to one-time provision of INR 68 Cr in Q4FY25. Excluding this one-time provision, PAT would have been INR 356 Cr for FY25, up 15% YoY
- Return on Assets for FY25 was 2.4% for FY25
- Return on Equity was 10.0% for FY25. Raised fresh equity capital of INR 882 Cr in FY25

➤ **Asset quality**

- Gross NPA ratio was 0.93% as on March 31, 2025
- Net NPA ratio was 0.36% as on March 31, 2025
- Provisioning coverage ratio on GNPA was 61% on March 31, 2025

➤ **Capital Adequacy**

Capital adequacy ratio was 24.7% on March 31, 2025.



Commenting on the Q4FY25 & FY25 results MD & CEO Ashish Mehrotra said, "We are pleased to report a resilient performance in FY25, with AUM growing by 16% to INR 13,634 Cr and a profit of INR 305 crores. This performance, delivered in a challenging environment, is a testament to the strength and adaptability of our diversified business model. The year was marked by macroeconomic and sectoral headwinds, along with a tightened credit environment, which had a moderating effect on overall performance. Despite these pressures, our disciplined and proactive approach to risk management allowed us to protect the quality of our portfolio. In fact, had we not taken a prudent one-time provision of INR 68 Cr on account of regulatory guidance on Default Loss Guarantee accounting, our profit would have reflected a 15% year-on-year growth highlighting the underlying robustness of our business. As we look ahead to FY26, we are cautiously optimistic. Early signs of recovery and an easing interest rate environment point to improving economic momentum. We believe this will translate into a stronger credit landscape, creating opportunities for sustainable growth. With our strong fundamentals and strategic positioning, we are confident in our ability to capitalise on these tailwinds and continue serving as an enabler for India's growing economy."

About Northern Arc:

Northern Arc is one of the leading players amongst India's diversified NBFCs in terms of AUM as of March 31, 2024[^] dedicated to empowering the lives of underserved individuals and businesses. Powered by technology and data, Northern Arc offers a suite of solutions including lending, placements, and fund investments in key sectors like MSME Financing, MFI, Consumer Financing, Vehicle Financing, Affordable Housing Financing, and Agricultural Supply Chain Finance. Since 2009, Northern Arc has facilitated the financing of over INR 2.0 trillion cumulatively, for its clients, spread across 675 districts in 28 states and 7 Union Territories in India. Our work, including that of our originator partners, has impacted the lives of over 115 million people.

Northern Arc handles an AUM of INR 16,792 crores through its balance sheet and active AIF funds as of March 31, 2025. The firm is backed by marquee equity investors like IFC, Sumitomo Mitsui Banking Corporation, LeapFrog, 360 ONE (formerly known as IIFL), Accion, Affirma Group, Dvara Trust, and Eight Roads (a proprietary arm of Fidelity).

[^]Source: Report titled "Analysis of NBFC sector and select asset classes" dated June 2024 prepared and released by CRISIL Research

**Disclaimer: All the numbers stated in the boilerplate are as of March 31, 2025.*

For Further Information,

Contact Chetan Parmar Head Investor Relations Email Chetan.parmar@northernarc.com	Website of the company: https://www.northernarc.com/
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