

Ref No.: NACL/03/MAY/2026-27

May 08, 2026

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/02/APR/2026-27 dated April 29, 2026.

With reference to the above intimation, we wish to inform you that the Board of Directors at their meeting held on Friday, May 08, 2026, 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, 2026:

- A copy of the Audited Standalone and Consolidated Financial Results along with Audit Report issued by the Statutory Auditors, M/s. Walker Chandiook & 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.
- Press Release for the Investors on the Financial and Operational Performance of the Company for the fourth quarter and financial year ended March 31, 2026.

2. 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 Crore (Rupees Five Thousand Crores only) by way of private placement, in accordance with the applicable provisions of Companies Act, 2013 and SEBI Listing Regulations.



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

3. 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 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 02.00 P.M. (IST) and concluded at 06.15 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.

Walker ChandioK & Co LLP
42 nd Floor,
Building Commerz III,
International Business Park,
Oberoi Garden City,
Off Western Express Highway,
Goregaon (East),
Mumbai - 400063
T +91 22 6626 2699

Independent Auditor's Report on Standalone Annual Financial Results of the Non-banking Finance Company (NBFC) pursuant to 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 2026**, 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 2026.

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.



Chartered Accountants

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

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

Emphasis of Matter – Inclusion of Default Loss Guarantee credit in calculation of Expected Credit Loss

4. We draw attention to Note 8 (a) of the accompanying statement, which describes that the Company has included the credit enhancements under the Default Loss Guarantee (DLG) arrangements while determining the Expected Credit Loss (ECL) for the year in accordance with Ind AS 109, Financial Instruments pursuant to the amendment issued by the RBI in February 2026. Accordingly, the comparative financial information for the quarter and year ended 31 March 2025 for ECL is strictly not comparable as DLG benefit was excluded in ECL computation following RBI's directions issued to the Company in previous year. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Statement

5. This Statement has been prepared on the basis of the standalone annual financial statements and has been approved by the NBFC's Board of Directors. 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 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.



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

Other Matter

12. The Statement includes the financial results for the quarter ended 31 March 2026, 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.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm Registration No:001076N/N500013



Murad D. Daruwalla
Partner
Membership No:043334



UDIN:26043334PKNZKH5010

Place: Mumbai
Date: 08 May 2026

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 of Northern Arc Capital Limited (the "Company") for the quarter and year ended 31 March 2026

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

Particulars	Quarter ended			Year ended	
	31 March 2026	31 December 2025	31 March 2025	31 March 2026	31 March 2025
	Unaudited (Refer note 10)	Unaudited	Unaudited (Refer note 10)	Audited	Audited
Revenue from operations					
Interest income	68,005.94	62,875.45	55,068.73	2,43,221.55	2,18,173.69
Fee and commission income	1,100.47	1,780.13	1,460.78	5,587.69	4,675.51
Net gain on fair value changes	-	886.51	826.71	1,234.38	1,439.69
Net gain on derecognition of financial instruments	4,029.51	5,614.40	1,611.78	13,385.95	4,122.53
Total revenue from operations	73,135.92	71,156.49	58,968.00	2,63,429.57	2,28,411.42
Other income	336.88	270.10	315.55	953.66	1,240.04
Total income	73,472.80	71,426.59	59,283.55	2,64,383.23	2,29,651.46
Expenses					
Finance costs	23,718.08	22,884.92	19,753.33	88,567.88	82,286.37
Fees and commission expense	10,482.68	12,603.32	8,381.98	36,820.32	32,940.65
Net loss on fair value changes	548.06	-	-	-	-
Impairment on financial instruments	8,728.03	13,403.80	17,528.92	41,238.59	37,852.62
Employee benefits expenses	6,081.58	6,037.58	5,061.00	23,857.61	20,385.29
Depreciation and amortisation	415.65	433.66	430.56	1,669.69	1,531.32
Other expenses	5,210.10	3,885.33	3,328.41	15,229.82	10,483.44
Total expenses	55,184.18	59,248.61	54,484.20	2,07,383.91	1,85,479.69
Profit before tax	18,288.62	12,177.98	4,799.35	56,999.32	44,171.77
Tax expense					
Current tax	3,485.37	1,628.51	4,111.32	13,355.37	16,170.32
Tax related to earlier years	(348.00)	-	(1,006.00)	(348.00)	(1,006.00)
Deferred tax	1,288.90	1,332.81	(2,979.76)	1,076.63	(5,254.05)
Total tax expense	4,426.27	2,961.32	125.56	14,084.00	9,910.27
Profit for the period / year	13,862.35	9,216.66	4,673.79	42,915.32	34,261.50
Other comprehensive income					
Items that will not be reclassified to profit or loss in subsequent periods					
Remeasurement gain / (loss) on the defined benefit plan	51.75	(96.58)	(59.90)	(72.61)	(66.68)
Income tax relating to items that will not be reclassified to profit or loss	(13.02)	24.31	15.07	18.28	16.78
	38.73	(72.27)	(44.83)	(54.33)	(49.90)
Items that will be reclassified to profit or loss in subsequent periods					
Net (loss) / gain on financial instruments through other comprehensive income	(9,285.71)	2,763.93	3,381.93	(4,229.61)	(2,908.30)
Income tax relating to items that will be reclassified to profit or loss	2,337.21	(695.68)	(851.23)	1,064.59	732.02
	(6,948.50)	2,068.25	2,530.70	(3,165.02)	(2,176.28)
Net gain / (loss) on effective portion of cash flow hedges	5,996.98	321.15	(4,853.10)	9,778.04	(901.53)
Income tax relating to items that will be reclassified to profit or loss	(1,509.44)	(80.83)	1,221.53	(2,461.13)	226.92
	4,487.54	240.32	(3,631.57)	7,316.91	(674.61)
Other comprehensive (loss) / income for the period / year	(2,422.23)	2,236.30	(1,145.70)	4,097.56	(2,900.79)
Total comprehensive income for the period / year	11,440.12	11,452.96	3,528.09	47,012.88	31,360.71
Earnings per equity shares, par value of INR 10 each*					
Basic (in rupees)	8.58	5.70	2.90	26.57	22.59
Diluted (in rupees)	8.52	5.68	2.89	26.39	22.53

* Earnings per share for the quarters are not annualized

See accompanying notes to the audited standalone financial results



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Northern Arc Capital Limited
CIN: L65910TN1989PLC017021

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

Statement of audited assets and liabilities as at 31 March 2026

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

Particulars	As at 31 March 2026 (Audited)	As at 31 March 2025 (Audited)
ASSETS		
Financial assets		
Cash and cash equivalents	22,510.61	32,120.04
Bank balances other than cash and cash equivalents	26,126.56	31,482.92
Derivative financial instruments	21,835.82	5,476.55
Trade receivables	1,070.79	1,201.75
Loans	12,49,276.83	10,57,237.78
Investments	2,88,995.30	1,95,682.05
Other financial assets	38,960.68	9,320.14
	16,48,776.59	13,32,521.23
Non-financial assets		
Current tax assets (net)	828.09	-
Deferred tax assets (net)	7,238.79	9,693.68
Property, plant and equipment	727.40	938.48
Right of use asset	2,074.05	2,495.71
Intangible assets under development	1,303.59	593.49
Goodwill	2,085.13	2,085.13
Other intangible assets	853.49	1,313.96
Other non- financial assets	1,408.62	2,425.11
	16,519.16	19,545.56
TOTAL ASSETS	16,65,295.75	13,52,066.79
LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
Derivative financial instruments	-	2,363.48
Trade payables		
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	24,542.18	6,726.54
Debt securities	1,39,436.35	1,40,785.32
Borrowings (other than debt securities)	10,80,401.27	8,37,654.22
Other financial liabilities	26,061.37	17,670.10
	12,70,441.17	10,05,199.66
Non-financial liabilities		
Provisions	1,983.35	1,578.36
Current tax liabilities	-	2,832.34
Other non-financial liabilities	3,522.96	1,540.97
	5,506.31	5,951.67
EQUITY		
Equity share capital	16,157.18	16,137.93
Other equity	3,73,191.09	3,24,777.53
	3,89,348.27	3,40,915.46
TOTAL LIABILITIES AND EQUITY	16,65,295.75	13,52,066.79

See accompanying notes to the audited standalone financial results



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Northern Arc Capital Limited
CIN: L65910TN1989PLC017021
Regd. Office: IITM Research Park, Phase I, 10th Floor, Kanagam Village, Taramani, Chennai - 600 113
Statement of standalone cashflows for year ended 31 March 2026

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

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
A Cash flow from operating activities		
Profit before tax	56,999.32	44,171.77
<u>Adjustments to reconcile profit before tax to net cash flows:</u>		
Depreciation and amortisation expenses	1,669.69	1,531.32
Interest income on loans, fixed deposits and investments	(2,43,221.55)	(2,18,173.69)
Unrealised (gain) / loss on investments	(957.10)	(393.16)
Gain on investment in mutual funds	(464.19)	(723.69)
Profit on sale of investments	186.91	(716.00)
Impairment on financial instruments including amounts writtenoff	41,238.59	37,852.62
Employee share based payment expenses	855.19	1,303.88
Amortisation of discount on commercial papers	1,827.31	2,400.31
Finance costs	86,740.57	79,886.06
Interest on income tax refund	(46.62)	(214.92)
Net gain on derecognition of financial assets	(13,385.95)	(4,122.53)
Gain on account of lease foreclosed	-	(0.78)
Cash used in operations before working capital changes and adjustments	(68,557.83)	(57,198.81)
Changes in working capital and other changes:		
Changes in other financial assets	(15,815.14)	5,133.74
Changes in trade receivables	132.83	236.08
Changes in loans	(3,52,141.95)	(2,86,906.59)
Changes in other non financial assets	1,016.49	(793.69)
Changes in other bank balances	5,549.09	(8,943.80)
Changes in other financial liabilities	8,813.69	1,780.91
Changes in other non-financial liabilities	1,981.99	349.08
Changes in trade payables and provisions	18,085.48	(8,140.08)
Cash used in operations before adjustments	(4,00,935.35)	(3,54,483.16)
Proceeds from de-recognition of financial assets	84,525.08	81,746.19
Recovery from written off assets	32,024.05	44,712.79
Interest income received on loans, fixed deposits and investments	2,35,790.34	2,15,103.87
Finance cost paid	(87,170.10)	(81,568.04)
Income tax paid (net)	(16,621.18)	(10,910.65)
Net cash used in operating activities (A)	(1,52,387.16)	(1,05,399.00)
B Cash flows from investing activities		
Purchase of property, plant and equipment, other intangible assets and intangibles under development	(1,000.02)	(1,623.92)
Proceeds from disposal of right of use assets	-	0.26
Purchase of investments	(13,74,703.53)	(3,81,225.71)
Proceeds from sale of investments	12,78,160.84	3,69,920.72
Investment in associate	-	(26,730.49)
Sale of investments in associate	11,250.00	-
Investment in subsidiary	(1,800.00)	(100.00)
Net cash used in investing activities (B)	(88,092.71)	(39,759.14)
C Cash flow from financing activities		
Proceeds from issue of debt securities	75,594.09	87,500.00
Repayment of debt securities	(77,885.41)	(87,181.54)
Proceeds from borrowings (other than debt securities)	7,14,946.13	9,87,520.00
Repayment of borrowings (other than debt securities)	(4,81,356.50)	(9,13,268.92)
Payment of principal portion of lease liabilities	(676.44)	(338.00)
Payment of interest on lease liabilities	(275.26)	(270.80)
Share application money received pending allotment	-	38.84
Proceeds from issue of equity share capital including securities premium	523.83	87,154.77
Net cash generated from financing activities (C)	2,30,870.44	1,61,154.35
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(9,609.43)	15,996.21
Cash and cash equivalents at the beginning of the year	32,120.04	16,123.83
Cash and cash equivalents at the end of the year	22,510.61	32,120.04
<i>See accompanying notes to the audited standalone financial results</i>		



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Notes:

- 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 the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS), prescribed under section 133 of the Companies Act, 2013 ('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. 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 08 May 2026. The audited standalone financial results have been subjected to audit by the statutory auditors of the Company.
- 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 2026	Unutilised as at 31 March 2026
Meet future capital requirements towards onward lending	44,984.46	44,984.46	-
Total	44,984.46	44,984.46	-

- During the year ended 31 March 2026, pursuant to Northern Arc Employee Stock Option Scheme, 2016 and Northern Arc Employee Stock Option Scheme, 2018, the Board of Directors allotted 1,92,539 fully paid-up equity shares of INR 10 each.
- Disclosures required under Reserve Bank of India (Non-Banking Financial Companies - Transfer and Distribution of Credit Risk) Directions, 2025 are given below:

a) Details of loans not in default transferred / acquired through assignment:

Particulars	Transferred	Acquired	
		Retail	Non Retail
Aggregate amount of loans transferred* / acquired through assignment (₹ in lakhs)	93,916.76	45,960.92	-
Number of loans (in absolute numbers)	1,10,077	76,264	-
Sale consideration / purchase consideration (₹ in lakhs)	84,525.08	45,960.92	-
Number of transactions (in absolute numbers)	15.00	22.00	-
Weighted average maturity (in years)	3.76	4.96	-
Weighted average holding period (in years)	0.99	0.90	-
Retention of beneficial economic interest by originator	10%	10%	-
Tangible security coverage	-	-	-
Rating-wise distribution of related loans	-	-	-

* Represents the amount outstanding at the time of assignment
The Company has not acquired any stressed loans.

b) Details of stressed loans transferred during year ended 31 March 2026 under Reserve Bank of India (Non-Banking Financial Companies - Transfer and Distribution of Credit Risk) Directions, 2025 are given below:

Particulars	To Asset Reconstruction Companies (ARCs)	To permitted transferees	To other transferees (please specify)
No. of accounts	888	-	-
Aggregate principal outstanding of loans transferred	5,919.86	-	-
Weighted average residual tenor of the loans transferred (in years)	6.28	-	-
Net book value of loans transferred (at the time of transfer)	4,362.99	-	-
Aggregate consideration	4,143.00	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-



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c) Details of Co-Lending Arrangements (CLA) as a Partner RE

Particulars	As at 31 March 2026
1) Quantum of CLAs	8
2) No of outstanding loans	8,13,332
3) Amount of gross outstanding (₹ in lakhs)	1,51,966.18
4) Weighted average rate of interest	26.57%
5) Fees charged during the year (₹ in lakhs)*	54.44
6) Broad sectors in which CLA was made	Consumer finance, Vehicle Finance and Small business loans
7) Performance of loans under CLA (Rs in lacs)	
(i) Stage I	1,49,299.95
(ii) Stage II	2,473.28
(iii) Stage III	192.95
8) Details related to default loss guarantee	Upto 5% of total amount disbursed

* The fees does not include share of interest agreed in the co-lending agreement from time to time.

- 5 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.
- 6 Disclosures in compliance with Regulation 52(4) and 54(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter and year ended 31 March 2026 is attached as Annexure I.
- 7 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.



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- 8A The Company has entered into Default Loss Guarantee (DLG) 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 DLG arrangements in the computation of Expected Credit Loss (ECL).
- During the previous year ended 31 March 2025, the Reserve Bank of India (RBI), vide e-mail communication dated 16 May 2025, had directed the Company to exclude the credit enhancements under DLG arrangements in the computation of Expected Credit Loss ("ECL") as at 31 March 2025 and absorb such impact by 30 June 2025. Pursuant to this, the Company had evaluated the total impact of such exclusion of the credit enhancements from the ECL computation to be ₹ 8,041 lakhs as at 31 March 2025 of which the Company, during the quarter ended 31 March 2025, recorded ₹ 6,835 lakhs and the remaining exposure pertaining to ECL of ₹ 1,206 lakhs had been recorded / rundown during the quarter ended 30 June 2025.
- In the current year, the RBI issued RBI (Non-Banking Financial Companies- Income Recognition, Asset Classification and Provisioning) Amendment Directions, 2026 dated 13 February 2026 ("the amendment directions"), which permits a NBFC to consider the DLG benefits for determining provisions under the ECL framework across all stages if those are integral to the contractual terms and not recognized separately, subject to compliance with Indian Accounting Standards, hence the Company has recomputed ECL provision as at 31 March 2026 after considering the expected recoveries from credit enhancements under DLG arrangements - resulting in net reversal of ECL provision of INR 2,900 lakhs for the current quarter.
- 8B During the current quarter, management has assessed that the model driven Expected Credit Loss (ECL) estimates, while compliant with Ind AS 109 and validated through internal methodologies, may not fully capture the potential impact of heightened geopolitical uncertainties prevailing in the operating environment. This primarily affects the Company's unsecured retail lending to MSMEs and individuals, including microfinance, which are inherently sensitive to changes in borrower cash flows, inflationary pressures, and broader economic stress conditions. Accordingly, management has considered it prudent to maintain an additional ECL provision of ₹ 6,631 lakhs. This provision is dynamic in nature and will be periodically reassessed based on evolving macroeconomic and portfolio conditions. The utilization or recalibration of the overlay will be considered upon the occurrence of macroeconomic events and portfolio conditions impacting the identified loan portfolios.
- 9 Pursuant to the notification of the 4 New Labour Codes by the Government of India viz the Code on Wages, 2019, the Code on Social Security, 2020, the Industrial Relations Code, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as the "New Labour Codes") with effect from 21 November 2025, and pending issuance of the detailed Rules, the Company has reassessed its employee benefit obligations based on the revised definition of wages and expanded eligibility criteria under the New Labour Codes. Based on the management's best estimates the impact of employee benefit obligations is not material to the audited standalone financial results, and the Company continues to monitor developments and will review its estimates as further clarifications and Rules are notified.
- 10 The figures for the last quarter of the current and previous financial year are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of third quarter of the current and previous financial year which were subjected to limited review by statutory auditors.

Place: Mumbai
Date: 08 May 2026

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


Ashish Mehrotra
Managing Director & CEO



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	Year ended 31 March 2026
Debt-equity ratio	1.1	3.13
Total debts to total assets	1.2	0.73
Net worth (amount in INR lakhs)	1.3	3,89,348.27
Capital redemption reserve (amount in INR lakhs)		2,660.00
Net profit after tax (amount in INR lakhs)		42,915.32
Earnings per share (of Rs. 10 each)		
- Basic		26.57
- Diluted		26.39
Gross stage 3 assets ratio	1.4	1.34%
Net stage 3 assets ratio	1.5	0.70%
Capital adequacy ratio (CRAR)	1.6	22.56%
Asset cover over listed non-convertible debentures	1.7	1.14
Net profit margin (%)	1.8	16.23%

- Notes:
- 1.1 Debt-equity ratio is (debt securities+borrowings (other than debt securities)) / net worth i.e. total equity.
 - 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 security.
 - 1.8 Net profit margin (%) is profit after tax for the year / 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.



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Computation of security cover ratio as on 31 March 2026

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

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														
Property, Plant and Equipment		-	-	No	-	-	727.40	-	727.40					
Capital Work-in-Progress		-	-	No	-	-	-	-	-					
Right of Use Assets		-	-	No	-	-	2,074.05	-	2,074.05					
Goodwill		-	-	No	-	-	2,085.13	-	2,085.13					
Intangible Assets		-	-	No	-	-	853.49	-	853.49					
Intangible Assets under Development		-	-	No	-	-	1,303.59	-	1,303.59					
Investments	Investments	94,591.72	73,761.41	No	-	-	1,20,642.17	-	2,88,995.30					
Loans	Loans from loans	20,559.40	11,07,428.28	No	-	-	1,21,289.15	-	12,49,276.83					
Inventories		-	-	No	-	-	-	-	-					
Trade Receivables		-	-	No	-	-	1,070.79	-	1,070.79					
Cash and Cash Equivalents		-	-	No	-	-	22,510.61	-	22,510.61					
Bank Balances other than Cash and Cash Equivalents		-	-	No	-	-	26,126.56	-	26,126.56					
Others		-	-	No	-	-	70,272.00	-	70,272.00					
Total		1,15,151.12	11,81,189.69				3,68,954.94		16,65,295.75					
LIABILITIES														
Debt securities to which this certificate pertains	Secured Non Convertible Debentures (NCDs)	1,00,850.00		No					1,00,850.00					
Other debt sharing pari-passu charge with above debt		-	-	No	-	-	-	-	-					
Other Debt		-	-	No	-	-	-	-	-					
Subordinated debt		-	-	No	-	-	-	-	-					
Borrowings		-	-	No	-	-	-	-	-					
Bank		-	7,50,423.90	No	-	-	-	-	7,50,423.90					
Debt Securities		-	15,800.00	No	-	-	22,786.35	-	38,586.35					
Others		-	3,13,807.78	No	-	-	16,169.63	-	3,29,977.41					
Trade payables		-	-	No	-	-	24,498.57	-	24,498.57					
Lease Liabilities		-	-	No	-	-	2,553.05	-	2,553.05					
Provisions		-	-	No	-	-	1,983.35	-	1,983.35					
Others		-	-	No	-	-	27,085.85	-	27,085.85					
Total		1,00,850.00	10,80,031.68				95,076.80		12,75,958.48					
Cover on Book Value (Note 1)	Exclusive Security Cover Ratio(Note 1)	1.14			Pari-Passu Security Cover Ratio	NA								

Note:

- The security cover ratio pertains to listed secured debentures. Disclosure in the statement is cumulative for all the listed secured debentures of the Company.
- The above financial information has been extracted from the standalone audited financial statements for the year ended 31 March 2026

Place: Mumbai
Date: 08 May 2026



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

Ashish Mehrotra
Managing Director & CEO



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_28 MAR 2024	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	SUNDARAM FIN & OTH NCD_225CR_10 SEP 2025	INE850M07491	Non-convertible Debentures	10-Sep-25	1,00,000	Part B - Clause 2.2	Complied	Not applicable
4	DCB & KVB OTH NCD_250CR_31 DEC 2025	INE850M07509	Non-convertible Debentures	24-Dec-25	1,00,000	Part B - Clause 2.2	Complied	Not applicable

Place: Mumbai
Date: 08 May 2026



For and on behalf of the Board of Directors of


Ashish Mehrotra
Managing Director & CEO



AA H

Walker ChandioK & Co LLP

Walker ChandioK & Co LLP

42 nd Floor,
Building Commerz III,
International Business Park,
Oberoi Garden City,
Off Western Express Highway,
Goregaon (East),
Mumbai - 400063
T +91 22 6626 2699

Independent Auditor's Report on Consolidated Annual Financial Results of the Non-banking Finance Company (NBFC pursuant to 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'), its associates (refer Annexure 1 for the list of subsidiaries and associates included in the Statement) for the year ended **31 March 2026**, 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').
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 results of the subsidiaries and associates as referred to in paragraph 13 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 2026.



Northern Arc Capital Limited
Independent Auditor's Report on Consolidated Annual Financial Results of the Non-banking Finance Company (NBFC pursuant to 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 consolidated 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.

Emphasis of Matter – Inclusion of Default Loss Guarantee credit in calculation of Expected Credit Loss

4. We draw attention to Note 9 (a) of the accompanying statement, which describes that the Holding Company has included the credit enhancements under the Default Loss Guarantee (DLG) arrangements while determining the Expected Credit Loss (ECL) for the year in accordance with Ind AS 109, Financial Instruments pursuant to the amendment issued by the RBI in February 2026. Accordingly, the comparative financial information for the quarter and year ended 31 March 2025 for ECL is strictly not comparable as DLG benefit was excluded in ECL computation following RBI's directions issued to the Company in previous year. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Statement

5. The Statement has been prepared on the basis of the consolidated annual audited financial statements and has been approved by the Holding Company's Board of Directors. 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.



Chartered Accountants

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

Page 2 of 5

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 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; 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 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.



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

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.
12. We also performed procedures in accordance with circular issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

Other Matters

13. We did not audit the annual financial results of five subsidiaries included in the Statement, whose financial information reflects total assets of ₹ 5,614.92 lakhs as at 31 March 2026, total revenues of ₹ 6,529.68 lakhs, total net loss after tax of ₹ 3,091.14 lakhs and net cash outflows of ₹ 270.62 lakhs for the year ended on that date, as considered in the Statement. 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 is based solely on the audit reports of such other auditors, and the procedures performed by us as stated in paragraph 12 above.

Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.

14. The Statement includes the consolidated financial results for the quarter ended 31 March 2026, 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.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm Registration No:001076N/N500013

Murad D. Daruwalla
Partner
Membership No:043334



UDIN:26043334GITJUQ7601

Place: Mumbai
Date: 08 May 2026

Northern Arc Capital Limited
Independent Auditor's Report on Consolidated Annual Financial Results of the Non-banking Finance Company (NBFC pursuant to 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

1. Northern Arc Creditech Solutions Private Limited (formerly Northern Arc Investment Adviser Services Private Limited)
2. Northern Arc Investment Managers Private Limited
3. Northern Arc Securities Private Limited
4. Pragati Finserv Private Limited
5. Northern Arc Employee Welfare Trust
6. Northern Arc Foundation

Associates

1. Northern Arc Emerging Corporate Bond Trust
2. FinReach Solutions Private Limited (Till 12 May 2025)



Northern Arc Capital Limited
CIN: L65910TN1989PLC017021

Regd. Office: IITM Research Park, Phase 1, 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 2026

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

Particulars	Quarter ended			Year ended	
	31 March 2026	31 December 2025	31 March 2025	31 March 2026	31 March 2025
	Unaudited (Also refer note 11)	Unaudited	Unaudited (Also refer note 11)	Audited	Audited
Revenue from operations					
Interest income	68,020.74	62,872.43	55,075.98	2,43,255.45	2,17,608.94
Fee and commission income	2,115.32	2,825.33	2,641.49	9,747.18	9,264.25
Net gain on fair value changes	-	801.99	922.67	2,635.76	3,165.31
Net gain on derecognition of financial instruments	4,029.51	5,614.40	1,611.78	13,385.95	4,122.53
Total revenue from operations	74,165.57	72,114.15	60,251.92	2,69,024.34	2,34,161.03
Other income	344.21	313.50	419.88	1,009.03	1,412.70
Total income	74,509.78	72,427.65	60,671.80	2,70,033.37	2,35,573.73
Expenses					
Finance costs	23,908.24	23,118.97	20,005.26	89,482.08	82,835.99
Fees and commission expense	8,313.85	9,129.49	6,403.14	31,364.84	28,852.49
Net loss on fair value changes	543.56	-	-	-	-
Employee benefits expenses	8,535.39	8,507.26	6,832.23	33,081.27	28,467.30
Impairment on financial instruments	8,723.18	13,000.85	19,365.37	41,188.20	40,484.89
Depreciation and amortisation	469.60	488.33	496.33	1,878.76	1,788.18
Other expenses	5,843.52	4,785.79	4,019.38	18,623.39	14,334.86
Total expenses	56,337.34	59,030.69	57,121.71	2,15,618.54	1,96,763.71
Profit before share of loss of associates and taxes	18,172.44	13,396.96	3,550.09	54,414.83	38,810.02
Share of (loss) / profit from associates	(615.35)	68.92	(49.53)	(858.66)	(201.96)
Profit before tax	17,557.09	13,465.88	3,500.56	53,556.17	38,608.06
Tax expense					
Current tax	3,586.58	1,727.60	4,098.96	13,761.07	16,395.14
Adjustment of tax relating to earlier periods	(348.00)	-	(1,000.32)	(348.00)	(999.71)
Deferred tax benefit	1,053.26	1,568.27	(3,435.75)	(214.52)	(6,919.18)
Total tax expense	4,291.84	3,295.87	(337.11)	13,198.55	8,476.25
Profit for the period / year	13,265.25	10,170.01	3,837.67	40,357.62	30,131.81
Other comprehensive income					
Items that will not be reclassified to profit or loss in subsequent periods					
Remeasurement gain / (loss) on the defined benefit plans	60.99	(106.43)	(82.34)	(53.65)	(105.55)
Income tax relating to items that will not be reclassified to profit or loss	(15.35)	26.79	20.73	13.51	26.57
	45.64	(79.64)	(61.61)	(40.14)	(78.98)
Items that will be reclassified to profit or loss in subsequent periods					
Net (loss) / gain on financial instruments through other comprehensive income	(9,285.71)	2,763.93	3,381.93	(4,229.61)	(2,908.30)
Income tax relating to items that will be reclassified to profit or loss	2,337.21	(695.68)	(851.24)	1,064.59	732.01
	(6,948.50)	2,068.25	2,530.69	(3,165.02)	(2,176.29)
Net gain / (loss) on effective portion of cash flow hedges	5,996.98	321.15	(4,853.10)	9,778.04	(901.53)
Income tax relating to items that will be reclassified to profit or loss	(1,509.44)	(80.83)	1,221.53	(2,461.13)	226.92
	4,487.54	240.32	(3,631.57)	7,316.91	(674.61)
Other comprehensive (loss) / income for the period / year (net of income taxes)	(2,415.32)	2,228.93	(1,162.49)	4,111.75	(2,929.88)
Total comprehensive income for the period / year (net of income taxes)	10,849.93	12,398.94	2,675.18	44,469.37	27,201.93
Profit for the period / year attributable to					
Owners of the holding company	13,250.19	10,075.61	3,776.16	40,601.71	30,454.79
Non-controlling Interest	15.06	94.40	61.51	(244.09)	(322.98)
Other comprehensive income for the period / year, net of income taxes attributable to					
Owners of the holding company	(2,416.93)	2,229.70	(1,160.52)	4,109.46	(2,926.69)
Non-controlling Interest	1.61	(0.77)	(1.97)	2.29	(3.19)
Total comprehensive income for the period / year, net of income taxes attributable to					
Owners of the holding company	10,833.26	12,305.31	2,615.64	44,711.17	27,528.10
Non-controlling Interest	16.67	93.63	59.54	(241.80)	(326.17)
Earnings per equity shares, of INR 10 each [Equity shares, par value of Rs.10 each]*					
Basic (in rupees)	8.21	6.24	2.34	24.99	20.08
Diluted (in rupees)	8.16	6.21	2.33	24.82	20.03

* 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 2026

Statement of audited consolidated assets and liabilities as at 31 March 2026

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

Particulars	As at 31 March 2026 (Audited)	As at 31 March 2025 (Audited)
ASSETS		
Financial assets		
Cash and cash equivalents	23,052.08	33,026.83
Bank balances other than cash and cash equivalents	26,628.81	31,708.44
Derivative financial instruments	21,835.82	5,476.55
Trade receivables	2,059.69	2,069.13
Loans	12,49,276.83	10,57,237.78
Investments	2,77,985.39	1,77,715.46
Investment in associates	16,305.40	27,440.88
Other financial assets	35,851.79	6,878.70
	16,52,995.81	13,41,553.77
Non-financial assets		
Current tax assets (net)	1,007.37	609.51
Deferred tax assets (net)	10,150.65	11,319.20
Property, plant and equipment	995.64	1,279.68
Right of use asset	2,247.74	2,711.97
Intangible assets under development	1,598.90	593.48
Goodwill	2,340.82	2,340.82
Other intangible assets	959.61	1,285.34
Other non- financial assets	2,163.66	2,113.44
	21,464.39	22,253.44
TOTAL ASSETS	16,74,460.20	13,63,807.21
LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
Derivative financial instruments	-	2,363.48
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	24,683.95	6,945.54
Debt securities	1,39,436.35	1,40,785.32
Borrowings (Other than debt securities)	10,86,398.13	8,45,214.61
Other financial liabilities (including lease liabilities)	27,633.47	17,971.04
	12,78,151.90	10,13,279.99
Non-financial liabilities		
Provisions	2,275.21	1,930.88
Current tax liabilities (net)	80.70	2,832.34
Other non-financial liabilities	3,851.74	1,807.67
	6,207.65	6,570.89
EQUITY		
Equity share capital	16,157.18	16,137.93
Other equity	3,73,398.78	3,27,286.94
Equity attributable to the equity holders of the holding company	3,89,555.96	3,43,424.87
Non-controlling interest (NCI)	544.69	531.46
Total equity	3,90,100.65	3,43,956.33
Total liabilities and equity	16,74,460.20	13,63,807.21

* Earnings per share for the quarters are not annualized



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 2026

Statement of audited consolidated cash flows for year ended 31 March 2026

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

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
A Cash flow from operating activities		
Profit before tax	53,556.17	38,608.06
Adjustments to reconcile restated profit before tax to net cash flows:		
Depreciation and amortisation expenses	1,878.76	1,788.65
Interest income on loans, fixed deposits and investments	(2,43,255.45)	(2,17,787.52)
Unrealised loss on investments	(2,345.24)	1,366.38
Gain on investments in mutual fund	(477.43)	(731.47)
Profit on sale of investments	186.91	(731.75)
Impairment on financial instruments and amounts written off	41,188.20	37,852.62
Employee share based payment expenses	1,153.54	1,558.91
Gain on account of lease foreclosed	-	(0.78)
Amortisation of discount on commercial papers	1,827.31	2,400.31
Share of loss of associate	858.66	201.96
Interest on income tax refund	(61.00)	(215.10)
Net gain on derecognition of financial assets	(13,385.95)	(4,122.53)
Finance costs	87,654.77	80,435.68
Cash used in operations before working capital changes and adjustments	(71,220.75)	(59,376.58)
Changes in working capital and other changes:		
Changes in other financial assets	(12,570.92)	5,416.13
Changes in trade receivables	109.27	1,978.42
Changes in loans	(3,52,141.95)	(2,86,906.59)
Changes in other non-financial assets	1,127.70	528.90
Changes in other bank balances	5,295.96	(8,952.11)
Changes in other financial liabilities	6,155.86	1,813.58
Changes in other non-financial liabilities	1,793.72	1,357.08
Changes in trade payables and provisions	18,403.73	(8,789.97)
Cash used in operations before adjustments	(4,03,047.38)	(3,52,931.14)
Proceeds from de-recognition of financial assets	84,525.08	81,746.19
Interest income received on loans, fixed deposits and investments	2,37,050.67	2,14,482.46
Recovery from written off assets	32,024.05	44,712.79
Finance cost paid	(88,034.78)	(82,117.66)
Income tax paid (net)	(16,578.06)	(10,560.17)
Net cash flow used in operating activities	(1,54,060.42)	(1,04,667.53)
B Cash flows from investing activities		
Purchase of property, plant and equipment, other intangible assets and intangibles under development	(1,509.35)	(1,807.55)
Purchase of investments	(13,78,780.29)	(3,80,719.16)
Proceeds from sale of investments	12,83,917.56	3,70,436.47
Investment in associate	-	(26,730.49)
Sale of investment in associate	11,250.00	-
Net cash used in investing activities	(85,122.08)	(38,820.73)
C Cash flow from financing activities		
Proceeds from issue of debt securities	75,594.09	87,500.00
Repayment of debt securities	(77,885.41)	(87,181.54)
Proceeds from borrowings (other than debt securities)	7,16,153.13	9,98,902.61
Repayment of borrowings (other than debt securities)	(4,84,197.44)	(9,27,188.99)
Payment of principal portion of lease liabilities	(705.18)	(379.88)
Payment of interest on lease liabilities	(275.26)	(270.80)
Proceeds from issue of equity share capital including securities premium	523.83	87,154.77
Share application money received pending allotment	-	38.84
Net cash flow from financing activities	2,29,207.76	1,58,575.01
Net (decrease) / increase in cash and cash equivalents	(9,974.74)	15,086.75
Cash and cash equivalents at the beginning of the year	33,026.83	17,940.08
Cash and cash equivalents at the end of the year	23,052.08	33,026.83
<i>* Earnings per share for the quarters are not annualized</i>		



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 2026

Annexure I : List of entities included in the consolidated financial results

Subsidiaries:

1. Northern Arc Creditech Solutions Private Limited (formerly Northern Arc Investment Adviser Services Private Limited)
2. Northern Arc Investment Managers Private Limited
3. Northern Arc Foundation
4. Pragati 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

** Upto 12 May 2025



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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 2026

(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 2026	31 December 2025	31 March 2025	31 March 2026	31 March 2025
Segment Revenue					
Financing activity	72,439.15	71,157.30	58,802.87	2,63,429.57	2,28,434.01
Investment advisory services	5.45	5.41	-	21.48	-
Investment management services	460.05	880.75	929.69	4,164.31	5,046.10
Others	2,607.51	1,991.52	86.03	6,508.20	6,034.05
Total segment revenue	75,512.16	74,034.98	59,818.59	2,74,123.56	2,39,514.16
Less: Intersegment revenue	(1,346.59)	(1,920.83)	433.33	(5,099.22)	(5,353.13)
Total revenue from operations	74,165.57	72,114.15	60,251.92	2,69,024.34	2,34,161.03
Segment Results (Profit before other income)					
Financing activity	18,395.32	11,911.86	7,863.12	57,226.24	46,498.77
Investment advisory services	4.59	4.41	5.21	18.08	-
Investment management services	(466.65)	288.45	(10.47)	283.17	60.67
Others	(105.03)	878.74	(4,727.65)	(4,121.69)	(9,162.12)
Total	17,828.23	13,083.46	3,130.21	53,405.80	37,397.32
Add: Other income	344.21	313.50	419.88	1,009.03	1,412.70
Less: Share of profit / (loss) post tax from associate	(615.35)	68.92	(49.53)	(858.66)	(201.96)
Profit before tax	17,557.09	13,465.88	3,500.56	53,556.17	38,608.06
Segment assets					
Financing activity	16,56,865.24	15,23,241.48	13,45,255.13	16,56,865.24	13,45,255.13
Investment advisory services	207.15	378.05	367.86	207.15	367.86
Investment management services	11,946.13	13,567.06	13,336.91	11,946.13	13,336.91
Others	5,267.05	5,661.16	4,672.68	5,267.05	4,672.68
Unallocated	174.63	174.63	174.63	174.63	174.63
Total	16,74,460.20	15,43,022.38	13,63,807.21	16,74,460.20	13,63,807.21
Segment Liabilities					
Financing activity	12,75,881.68	11,53,929.03	10,09,909.75	12,75,881.68	10,09,909.75
Investment advisory services	1.27	1.01	0.82	1.27	0.82
Investment management services	6,741.50	8,017.91	8,274.42	6,741.50	8,274.42
Others	1,735.10	1,768.31	1,665.89	1,735.10	1,665.89
Total	12,84,359.55	11,63,716.26	10,19,850.88	12,84,359.55	10,19,850.88
Capital employed (Segment assets - Segment liabilities)					
Financing activity	3,80,983.56	3,69,312.45	3,35,345.38	3,80,983.56	3,35,345.38
Investment advisory services	205.88	377.04	367.04	205.88	367.04
Investment management services	5,204.63	5,549.15	5,062.49	5,204.63	5,062.49
Others	3,706.58	3,609.67	3,181.42	3,706.58	3,181.42



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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 2026

Notes:

- 1 The audited consolidated financial results of the Group and associates have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS), prescribed under section 133 of the Companies Act, 2013 ('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 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. 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 08 May 2026 and have been subjected to an audit by the statutory auditors of the Holding Company.
- 2 The audited consolidated financial results include the financial results of the Holding Company, its subsidiaries (collectively referred as "Group") and its associates listed in Annexure I.
- 3 During the year ended 31 March 2026, pursuant to Northern Arc Employee Stock Option Scheme, 2016 and Northern Arc Employee Stock Option Scheme, 2018, the Board of Directors allotted 1,92,539 fully paid-up equity shares of INR 10 each.
- 4 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 44,984.46 lakhs (net of share issue expenses), are as follows:

Objects of the issue	IPO Proceeds	Utilisation upto 31 March 2026	Unutilised as at 31 March 2026
Meet future capital requirements towards onward lending	44,984.46	44,984.46	-
Total	44,984.46	44,984.46	-

- 5 The Holding Company has disposed off the shareholdings in FinReach Solutions Private Limited (FinReach) on 12 May 2025. Post dilution, the shareholding in FinReach has reduced from 24.55 % to 11.16%. Consequently, FinReach ceases to be an associate of the Holding Company.
- 6 The segment reporting in accordance with Ind AS 108 on "Operating Segments" in respect of the consolidated financials results are given in Annexure II.
- 7 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.
- 8 Disclosures in compliance with Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter and year ended 31 March 2026 is attached as Annexure I to the audited standalone financial results of the Holding Company.
- 9A The Holding Company has entered into Default Loss Guarantee (DLG) 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 Holding Company had historically considered the expected recoveries from credit enhancements under DLG arrangements in the computation of Expected Credit Loss (ECL).

During the previous year ended 31 March 2025, the Reserve Bank of India (RBI), vide e-mail communication dated 16 May 2025, had directed the Holding Company to exclude the credit enhancements under DLG arrangements in the computation of Expected Credit Loss ("ECL") as at 31 March 2025 and absorb such impact by 30 June 2025. Pursuant to this, the Holding Company had evaluated the total impact of such exclusion of the credit enhancements from the ECL computation to be ₹ 8,041 lakhs as at 31 March 2025 of which the Holding Company, during the quarter ended 31 March 2025, recorded ₹ 6,835 lakhs and the remaining exposure pertaining to ECL of ₹ 1,206 lakhs had been recorded / rounded during the quarter ended 30 June 2025.

In the current year, the RBI issued RBI (Non-Banking Financial Companies- Income Recognition, Asset Classification and Provisioning) Amendment Directions, 2026 dated 13 February 2026 ("the amendment directions"), which permits a NBFC to consider the DLG benefits for determining provisions under the ECL framework across all stages if those are integral to the contractual terms and not recognized separately, subject to compliance with Indian Accounting Standards, hence the Holding Company has recomputed ECL provision as at 31 March 2026 after considering the expected recoveries from credit enhancements under DLG arrangements - resulting in net reversal of ECL provision of INR 2,900 lakhs for the current quarter.
- 9B During the current quarter, management has assessed that the model driven Expected Credit Loss (ECL) estimates, while compliant with Ind AS 109 and validated through internal methodologies, may not fully capture the potential impact of heightened geopolitical uncertainties prevailing in the operating environment. This primarily affects the Holding Company's unsecured retail lending to MSMEs and individuals, including microfinance, which are inherently sensitive to changes in borrower cash flows, inflationary pressures, and broader economic stress conditions. Accordingly, management has considered it prudent to maintain an additional ECL provision of ₹ 6,631 lakhs. This provision is dynamic in nature and will be periodically reassessed based on evolving macroeconomic and portfolio conditions. The utilization or recalibration of the overlay will be considered upon the occurrence of macroeconomic events and portfolio conditions impacting the identified loan portfolios.
- 10 Pursuant to the notification of the 4 New Labour Codes by the Government of India viz the Code on Wages, 2019, the Code on Social Security, 2020, the Industrial Relations Code, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as the "New Labour Codes") with effect from 21 November 2025, and pending issuance of the detailed rules, the Group has reassessed its employee benefit obligations based on the revised definition of wages and expanded eligibility criteria under the New Labour Codes. Based on the management's best estimates the impact of employee benefit obligations is not material to the audited consolidated financial results, and the Group continues to monitor developments and will review its estimates as further clarifications and Rules are notified.
- 11 The figures for the last quarter of the current and previous financial year are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of third quarter of the current and previous financial year which were subjected to limited review by statutory auditors.

For and on behalf of the Board of Directors

Place: Mumbai
Date : 08 May 2026

Anish Mehrotra
Managing Director & CEO



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May 08, 2026

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, 2026.

For Northern Arc Capital Limited



**Atul Tibrewal
Chief Financial Officer**



Press Release

Northern Arc Capital Delivers Record-Breaking PAT of INR 133 crores in Q4FY26 & INR 406 Cr in FY26

Particulars	Q4FY26	YoY	FY2026	YoY
Net Interest Income	Rs. 387 Cr	21% ↑	Rs. 1,377 Cr	20% ↑
Credit Cost	2.2%	-383 bps ↓	2.8%	-42 bps ↓
PAT	Rs. 133 Cr	251% ↑	Rs. 406 Cr	33% ↑
RoA	3.3%	217 bps ↑	2.8%	34 bps ↑

Mumbai, May 8, 2026: Northern Arc Capital Limited announced its results for the quarter and financial year ended March 31, 2026.

➤ **Responsible growth across D2C (retail) sectors with steady asset quality**

- Lending AUM grew by 22% YoY & 10% QoQ to INR 16,594 Cr as on March 31, 2026
- D2C Lending AUM grew by 39% YoY to INR 9,792 Cr as on March 31, 2026; Share of D2C lending in AUM increased to 59%, building diversified granular book
- Gross NPA ratio improved to 1.2% as on March 31, 2026
- Net NPA ratio improved to 0.6% as on March 31, 2026

➤ **Performance update (FY26)**

- Gross transaction volume for FY26 was INR 37,232 Cr
- Performing Credit Fund AUM of INR 3,092 Cr as on March 31, 2026
- Placement volumes for FY26 of INR 11,834 Cr, Fee income grew by 22% YoY to INR 31 Cr
- Net Interest Income increased by 20% YoY to INR 1,377 Cr in FY26
- Opex ratio for FY26 was flat YoY at 3.6%. Added 72 branches in FY26
- PPoP increased by 21% YoY to INR 956 Cr in FY26
- Credit Cost for FY26 decreased by 42 bps YoY to 2.8%
- Profit after tax increased by 33% YoY to INR 406 Cr in FY26
- Return on Assets increased by 34 bps YoY to 2.8% in FY26
- Return on Equity increased by 110 bps YoY to 11.1% for FY26.
- Net worth grew by 13% YoY to INR 3,896 Cr as on March 31, 2026
- Healthy capital adequacy ratio of 22.6% as on March 31, 2026

➤ **Performance update (Q4FY26)**

- Net Interest Income increased by 21% YoY to INR 387 Cr in Q4FY26
- Opex ratio for Q4FY26 decreased by 11 bps YoY to 3.6%. Added 64 branches in Q4FY26
- PPoP increased by 17% YoY to INR 269 Cr in Q4FY26
- Credit Cost for Q4FY26 decreased from 3.5% in Q3FY26 to 2.2% in Q4FY26
- Profit after tax increased by 251% YoY / 32% QoQ to INR 133 Cr in Q4FY26
- Return on Assets increased by 217 bps YoY to 3.3% in Q4FY26
- Return on Equity for Q4FY26 increased to 14.0%



Commenting on the Q4FY26 results, Ashish Mehrotra, MD & CEO, Northern Arc Capital said, “FY2026 was a landmark year for Northern Arc Capital. Despite headwinds in the microfinance segment earlier in the year and geopolitical uncertainties toward year-end, we delivered record performance. Our lending AUM crossed INR 16,500 crore, while annual PAT reached an all-time high of INR 406 crore, with highest ever quarterly profit of INR 133 crores in Q4FY26.

This performance was underpinned by disciplined underwriting, improved collection efficiency, and cautious growth and expansion.

*Building on this momentum, we enter FY2027 with a focused approach to drive profitable growth. Over the next 3–5 years, we will deepen our geographic presence, scale digital partnerships and invest in technology, data analytics and AI to drive efficiency, resilience and scale, to ensure we **position Northern Arc Capital to double AUM by FY2029, sustain 22–25% growth, and deliver consistent profitability.**”*

About Northern Arc:

Northern Arc Capital Limited (NACL) is a diversified financial services platform focused on expanding the flow of credit to individuals and businesses across India. The Company operates a differentiated credit model that combines Direct-to-Customer (D2C) lending with a Credit Solutions for Origination Partners.

Under its D2C lending business, NACL lends directly from its balance sheet to end customers across the MSME, consumer, and rural segments through a nationwide network of 432 branches and 57 digital partnerships. Complementing this, the Credit Solutions business enables 368 Origination Partners to access capital through Northern Arc’s fund management platform, placements from external investors, and the Company’s own balance sheet. Together, this integrated approach has facilitated financing of approximately INR 2.5 trillion to date, impacting about 140 million lives.

As a platform, NACL manages assets aggregating INR 19,686 crore, comprising a lending balance sheet of INR 16,594 crore and assets under management of INR 3,092 crore within its fund business. In addition, the Company has facilitated credit placements of INR 1.3 trillion to external investors. The platform is powered by technology, data-driven underwriting, and deep sectoral expertise, positioning Northern Arc as a distinctive and scalable credit solutions franchise within the financial services ecosystem.

Northern Arc is backed by leading global investors including LeapFrog Investments, Affirma Capital, Eight Roads, the International Finance Corporation (IFC) and SMBC, and is guided by an experienced and highly regarded Board of Directors.

The Northern Arc group comprises Northern Arc Capital Limited which is the holding and operating company; Northern Arc Investment Managers Limited, which houses the fund management business; Northern Arc Securities Private Limited, which operates the online bond platform; Pragati Finserv Private Limited, exclusive rural distribution arm; and Northern Arc Foundation, the Company’s CSR arm.

For more details, please visit <https://www.northernarc.com/>

**Disclaimer: All the numbers stated in the boilerplate are as of March 31, 2026.*

For Further Information,

Contact Chetan Parmar Head Investor Relations Email Id: Chetan.parmar@northernarc.com	Contact Sudeshna Chakraborty Head Corporate Communication Email Id: sudeshna.chakraborty@northernarc.com
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NORTHERN ARC CAPITAL LIMITED

Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

Sr. No.	Table of Contents	Page No.
A.	Preamble	1
B.	Definitions	1
C.	Code	
1.	Prompt Disclosure of UPSI	3
2.	Role of Chief Investors Relations Officer	3
3.	Responding to market rumours	3
4.	Information on a need-to-know basis	4
	Annexure "A" - Determination of 'legitimate purposes' for communicating/ procuring unpublished price sensitive information	5

A. Preamble

Pursuant to Regulation 8(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 ('PIT Regulations'), the Company is required to formulate a "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" ("Code") with respect to fair disclosure of events and occurrences that could probably have impact in the listed securities of the Company.

The provision(s) of this "Code" may be made applicable to any person whether an employee of the Company or otherwise, which the Chief Investors Relation Officer in consultation with and/or as per the advice of Managing Director and CEO may determine, inter-alia for the purpose of preservation of UPSI, under overall supervision of the Board of Directors.

This Code and every amendment thereto shall be promptly intimated to the stock exchange on which the Securities of the Company is listed. The Code shall be published on the website of the Company.

B. Definitions

- a. **"Act"** means the Securities and Exchange Board of India Act, 1992.
- b. **"Board"** means the Board of Directors of the Company.
- c. **"Code"** shall mean the Code of Fair Disclosure of Unpublished Price Sensitive Information and Trading in Listed Securities of Northern Arc Capital Limited as amended from time to time.
- d. **"Chief Investor Relations Officer"** or **"CIRO"** means the Company Secretary and Compliance Officer of the Company or such other senior officer of the Company appointed by the Board of Directors to deal with dissemination of information and disclosure of UPSI in a fair and unbiased manner to all the stakeholders of the Company.
- e. **"Company"** means Northern Arc Capital Limited.
- f. **"Legitimate Purpose"** shall, for the purpose of this Code, means sharing of UPSI in the ordinary course of business by an Insider. It shall include sharing of UPSI with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants. Provided however, that such sharing is not carried out to evade or circumvent the Insider Trading Regulations.
- g. **"SEBI Listing Regulations"** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. **"Securities"** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 or any amendments, modifications thereof.
- h. **"Unpublished price sensitive information"** or **"UPSI"** means information relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available is likely to materially affect the price of such securities and shall, ordinarily including but not restricted to, information relating to the following: Examples of unpublished price sensitive information might include (without limitation) information relation to the following:
 - i. financial results;
 - ii. dividends;
 - iii. Change in Capital Structure;
 - iv. mergers, de-mergers, acquisitions, de-listings, disposals and expansion of Business award or termination of order/contracts not in the normal course of business] and such other transactions;
 - v. Changes in Key Managerial Personnel, other than due to superannuation or end of term, and resignation of a Statutory Auditor or Secretarial Auditor;
 - vi. change in rating(s), other than ESG rating(s);
 - vii. fund raising proposed to be undertaken;
 - viii. agreements, by whatever name called, which may impact the management or control of the company;
 - ix. fraud or defaults by the company, its promoter, director, key managerial personnel, or subsidiary or arrest of key managerial personnel, promoter or director of the company, whether occurred within India or abroad;

- x. resolution plan/ restructuring or one time settlement in relation to loans/borrowings from banks/financial institutions;
- xi. admission of winding-up petition filed by any party /creditors and admission of application by the Tribunal filed by the corporate applicant or financial creditors for initiation of corporate insolvency resolution process against the company as a corporate debtor, approval of resolution plan or rejection thereof under the Insolvency and Bankruptcy Code, 2016
- xii. initiation of forensic audit, by whatever name called, by the company or any other entity for detecting mis-statement in financials, misappropriation/ siphoning or diversion of funds and receipt of final forensic audit report;
- xiii. action(s) initiated or orders passed within India or abroad, by any regulatory, statutory, enforcement authority or judicial body against the company or its directors, key managerial personnel, promoter or subsidiary, in relation to the company;
- xiv. outcome of any litigation(s) or dispute(s) which may have an impact on the company;
- xv. giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party, by the company not in the normal course of business;
- xvi. granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

Explanation 1:

For the purpose of sub-clause (ix):

- a. 'Fraud' shall have the same meaning as referred to in Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.
- b. 'Default' shall have the same meaning as referred to in Clause 6 of paragraph A of Part A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Explanation 2:

For identification of events enumerated in this clause as unpublished price sensitive information, the guidelines for materiality referred at paragraph A of Part A of Schedule III of the SEBI Listing Regulations as may be specified by the Board from time to time and materiality as referred at paragraph B of Part A of Schedule III of the SEBI Listing Regulations shall be applicable.

Words and expressions used but not defined in this Code shall have the same meaning assigned to them in the PIT Regulations or the Companies Act, 2013 and the rules and regulations made thereunder.

C. Code:

1. Prompt disclosure of UPSI

- 1.1 Disclosure of Unpublished Price Sensitive Information (UPSI), as defined under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (“SEBI Insider Trading Regulations”) (“UPSI”) would be done promptly when credible and concrete information is available for making the same generally available;
- 1.2 The Company will endeavor to make uniform and universal dissemination of UPSI and will avoid making selective disclosure once the information is ready to be made generally available. Material events will be disseminated as mandated under Regulation 30 & 51 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”), as amended from time to time.
- 1.3 In case there has been any instance of inadvertently making a selective disclosure of UPSI, then the information will be promptly disseminated either in the form of notification to stock exchanges, press releases or upload of information on the website of the Company save and except disclosures made pursuant to 1.4 below.
- 1.4 UPSI handling will be on a need-to-know basis only for legitimate purposes as determined under this policy in this regard or performance of duties or discharge of legal obligations.
- 1.5 The information released to stock exchanges will also be published on the website of the Company for investor access to the public announcements.

2. Role of Chief Investors Relations Officer.

- 2.1 The Company Secretary of the Company shall be the Chief Investor Relations Officer (“CIRO”). The CIRO shall be responsible for overseeing the timely and adequate public disclosure of Unpublished Price Sensitive Information in accordance with this Disclosure Code and the SEBI (Prohibition of Insider Trading) Regulations, 2015.
- 2.2 The responsibilities of the CIRO shall include overseeing and co-ordinating the disclosure of price sensitive information to stock exchanges, analysts, shareholders and the media. Disclosures to the stock exchanges shall continue to be made by designated officers authorized for this purpose, who are responsible for determining the materiality of an event or information pursuant to Regulation 30(5) and 51 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2.3 In the event of disclosure/dissemination of Unpublished Price Sensitive Information by a designated officer without the approval of the Chief Investor Relations Officer, such designated officer shall inform the CIRO immediately about such disclosure/dissemination for further action.

3. Responding to market rumours:

- 3.1 Any queries or requests for verification of market rumours by stock exchanges should be forwarded immediately to the CIRO who shall decide on the response/clarification. The CIRO shall decide whether a public announcement is necessary for verifying or denying rumours and then make the disclosure.
 - 3.2 Any query or request for verification of market rumours received from stock exchanges, the press, the media or any other source received by any employee or officer of the Company shall be directed to the CIRO.
 - 3.3 If deemed necessary, the CIRO shall make a public announcement for verifying or denying the rumours and thereafter make appropriate disclosures.
 - 3.4 The Company will, subject to non-disclosure obligations, aim to provide appropriate and fair response to the queries on news reports and requests for verification of market rumours by regulatory authorities.
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- 3.5 As a general practice, if the rumour appears in a responsible media channel which has reasonably wide audience and rumour can have material impact on pricing of securities, then the Company shall consider immediately make a proper announcement to present the correct position.
- 3.6 The Company will adhere to the following principles:
1. The Company will make prompt public disclosure of UPSI to stock exchanges and upload the same on to the website of the Company to make the information generally available to public, in order that the same may be accessible to any of the members or any stakeholder.
 2. The Company will make, uniform and universal dissemination of UPSI by way of intimation to stock exchanges and other means to improve investor access to their public announcements.
 3. The Company will ensure that information, if shared, with analysts and research personnel are not UPSI.
 4. The Company will develop best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
 5. In respect of unanticipated questions from members or any stakeholder, such questions will be taken note of and a considered response will be given later. If the answer includes UPSI, a public announcement should be made before responding.
 6. The Company will handle all UPSI on a need-to-know basis.
 7. This Code shall be published on the official website of the Company.

4. Information on a need-to-know basis

- 4.1 Designated person(s) and Insiders shall maintain confidentiality of all UPSI. Designated person(s) and Insiders shall not communicate, provide or allow access to any UPSI except where such communication is in furtherance of Legitimate Purposes, performance of duties or discharge of legal obligations.
- 4.2 UPSI handling will be on a need-to-know basis only for legitimate purposes as mentioned in Annexure A or performance of duties or discharge of legal obligations.
- 4.3 The Company shall ensure that all files including soft copies containing UPSI are kept secure, such that such information can only be accessed by persons who “need to know” such information or for Legitimate Purpose. Computer files must have adequate security of login and password, etc. Files containing confidential information should be deleted / destroyed after its use. Shredder should be used for the destruction of physical files.
- 4.4 All Designated person(s) and Insiders that get access to Unpublished Price Sensitive Information shall also ensure that the files including soft copies containing Unpublished Price Sensitive Information are kept secure.

Annexure "A"

Determination of 'legitimate purposes' for communicating/ procuring unpublished price sensitive information

The Determination of Legitimate Purposes is being framed in compliance with the requirement stipulated under Regulation 3(2A) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (the Regulations).

An insider shall not communicate or share any UPSI relating to the Company or securities listed or proposed to be listed, to any person, except in furtherance of legitimate purposes as under:

1. UPSI shall be shared only in the ordinary course of business.
2. UPSI may be shared in connection with the Company's plans relating to operations, diversification, expansion, restructuring, or for the discharge of legal or regulatory obligations.
3. UPSI may be shared with relevant stakeholders such as partners, collaborators, lenders, customers, merchant bankers, legal advisors, auditors, and other advisors or consultants, or any other persons engaged by the Company from time to time for business operations, facilitation of corporate actions (including due diligence for transactions), preparation of financial statements, or similar purposes.
4. UPSI shall not be shared with the intent to evade or circumvent the provisions of applicable regulations.

Any person who is in receipt of UPSI pursuant to a legitimate purpose shall be deemed to be an insider for the purpose of compliance with the Regulations. Such person(s) shall be informed for the purpose of maintaining confidentiality of UPSI in accordance with the provisions of the Regulations.
