Walker Chandiok &Co LLP

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Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of Northern Arc Capital Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Northern Arc Capital Limited

1. We have reviewed the accompanying statement of consolidated unaudited financial results ('the Statement') of **Northern Arc Capital Limited** ('the Holding Company' or 'the NBFC') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associate (refer Annexure 1 for the list of subsidiaries and associate included in the Statement) for the quarter ended 30 June 2026 being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').

2. This Statement, which is the responsibility of the Holding Company's management and has been approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), 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 the presentation and disclosure requirements of Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

4. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, the RBI guidelines, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement, or that it has not been prepared in accordance with the relevant prudential norms issued by the RBI in respect of income recognition, asset classification, provisioning and other related matters.

5. We did not review the interim financial information of five subsidiaries, included in the Statement, whose financial information reflects total revenues of ₹ 2,500.72 lakhs, total net (loss) after tax of ₹ (472.41) lakhs and total comprehensive (loss) of ₹ (486.55) lakhs for the quarter ended 30 June 2026, as considered in the Statement. These interim financial information have been reviewed by other auditors whose review reports have been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the review reports of such other auditors, and the procedures performed by us as stated in paragraph 3 above.

   Our review report 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.

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

WALKER CHANDIOK & CO LLP
CHARTERED ACCOUNTANTS

Murad D. Daruwalla
Partner
Membership No. 043334

UDIN: 26043334HHCXKS9719

Place: Mumbai
Date: 27 July 2026

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

Associate

1. Northern Arc Emerging Corporates Bond Trust

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Northern Arc Capital Limited
CIN: L65910TN1989PLC017021
Regd. Office: IITM Research Park, Phase I, 10th Floor, Kanagam Village, Taramani, Chennai - 600 113
Statement of unaudited consolidated financial results of Northern Arc Capital Limited (the Holding Company) for the quarter ended 30 June 2026

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

Particulars	Quarter ended			Year ended
	30 June 2026	31 March 2026	30 June 2025	31 March 2026
	Unaudited	(Refer note 11)	Unaudited	Audited
Revenue from operations				
Interest income	75,413.42	68,020.74	55,800.93	2,43,255.45
Fee and commission income	1,874.03	2,115.32	2,562.13	9,747.18
Net gain on fair value changes	-	-	1,107.57	2,635.76
Net gain on derecognition of financial instruments under amortised cost category	689.88	4,029.51	1,072.69	13,385.95
Total revenue from operations	**77,977.33**	**74,165.57**	**60,543.32**	**2,69,024.34**
Other income	304.93	344.21	226.58	1,009.03
Total income	**78,282.26**	**74,509.78**	**60,769.90**	**2,70,033.37**
Expenses				
Finance costs	25,983.37	23,908.24	21,633.94	89,482.08
Fees and commission expense	10,015.58	8,313.85	6,687.32	31,364.84
Net loss on fair value changes	615.31	543.56	-	-
Employee benefits expenses	9,259.87	8,535.39	7,597.33	33,081.27
Impairment on financial instruments	11,028.35	8,723.18	10,219.91	41,188.20
Depreciation and amortisation	396.67	469.60	423.83	1,878.76
Other expenses	5,723.54	5,843.52	3,743.39	18,623.39
Total expenses	**63,022.69**	**56,337.34**	**50,305.72**	**2,15,618.54**
Profit before share of profit / (loss) of associates and taxes	15,259.57	18,172.44	10,464.18	54,414.83
Share of profit / (loss) from associates	34.85	(615.35)	(27.67)	(858.66)
Profit before tax	**15,294.42**	**17,557.09**	**10,436.51**	**53,556.17**
Tax expense				
Current tax	5,862.44	3,586.58	5,380.76	13,761.07
Adjustment of tax relating to earlier periods	-	(348.00)	-	(348.00)
Deferred tax	(1,978.44)	1,053.26	(2,769.07)	(214.52)
Total tax expense	**3,884.00**	**4,291.84**	**2,611.69**	**13,198.55**
Profit for the quarter / year	**11,410.42**	**13,265.25**	**7,824.82**	**40,357.62**
Other comprehensive income				
Items that will not be reclassified to profit or loss in subsequent periods				
Remeasurement (loss) / gain on the defined benefit plans	(37.05)	60.99	0.68	(53.65)
Income tax relating to items that will not be reclassified to profit or loss	9.33	(15.35)	(0.17)	13.51
	(27.72)	**45.64**	**0.51**	**(40.14)**
Items that will be reclassified to profit or loss in subsequent periods				
Net gain / (loss) on financial instruments through other comprehensive income	6,355.87	(9,285.71)	1,517.48	(4,229.61)
Income tax relating to items that will be reclassified to profit or loss	(1,599.77)	2,337.21	(381.95)	1,064.59
	4,756.10	**(6,948.50)**	**1,135.53**	**(3,165.02)**
Net (loss) / gain on effective portion of cash flow hedges	(632.90)	5,996.98	(924.79)	9,778.04
Income tax relating to items that will be reclassified to profit or loss	159.30	(1,509.44)	232.77	(2,461.13)
	(473.60)	**4,487.54**	**(692.02)**	**7,316.91**
Other comprehensive income / (loss) for the quarter / year (net of income taxes)	**4,254.78**	**(2,415.32)**	**444.02**	**4,111.75**
Total comprehensive income for the quarter / year (net of income taxes)	**15,665.20**	**10,849.93**	**8,268.84**	**44,469.37**
Profit for the quarter / year attributable to				
Owners of the holding company	11,432.84	13,250.19	8,105.17	40,601.71
Non-controlling Interest	(22.42)	15.06	(280.35)	(244.09)
Other comprehensive income for the quarter / year, net of income taxes attributable to				
Owners of the holding company	4,256.23	(2,416.93)	442.73	4,109.46
Non-controlling Interest	(1.45)	1.61	1.29	2.29
Total comprehensive income for the quarter / year, net of income taxes attributable to				
Owners of the holding company	15,689.07	10,833.26	8,547.90	44,711.17
Non-controlling Interest	(23.87)	16.67	(279.06)	(241.80)
Earnings per equity shares, of INR 10 each [Equity shares, par value of Rs.10 each]*				
Basic (in rupees)	7.08	8.21	5.02	24.99
Diluted (in rupees)	6.98	8.16	4.98	24.82

Earnings per share for the quarters are not annualized

See accompanying notes to the unaudited consolidated financial results

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Statement of unaudited consolidated financial results of Northern Arc Capital Limited (the Holding Company) for the quarter ended 30 June 2026

Notes:

1 The unaudited consolidated financial results of the Group and associate have been prepared in accordance with the recognition and measurement principles laid down Indian Accounting Standard 34 Interim Financial Reporting ('Ind AS 34'), 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 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 unaudited consolidated financial results, have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 27 July 2026. The unaudited consolidated financial results have been subjected to limited review by the statutory auditors of the Holding Company.

2 The unaudited consolidated financial results include the financial results of the Holding Company, its subsidairies (collectively referred as "Group") and its associate listed in Annexure A.

3 During the quarter ended 30 June 2026, pursuant to Northern Arc Employee Stock Option Scheme, 2016 and Northern Arc Employee Stock Option Scheme, 2018, the Board of Directors allotted 40,500 fully paid-up equity shares of INR 10 each.

4 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.

5 The segment reporting in accordance with Ind AS 108 on "Operating Segments" in respect of the consolidated financials results are given in Annexure B.

6 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. The Holding Company has not issued any new debentures during the current quarter and hence the disclosure requirements under Regulations 52(7) and 52(7A) of the SEBI (LODR) Regulations, 2015 are not applicable.

7 Disclosures in compliance with Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended 30 June 2026 is attached as Annexure I to the unaudited standalone financial results of the Holding Company.

8 Pursuant to the updated business model policy for managing financial assets, the Holding Company has reclassified certain loan assets within its Loan Against Property portfolio, amounting to ₹ 948.28 lakhs, from the amortized cost measurement category to the Fair Value Through Other Comprehensive Income (FVOCI) measurement category, in accordance with Ind AS 109, Financial Instruments. Consequently, a fair value gain of ₹ 50.22 lakhs arising from this reclassification has been recognized in other comprehensive income during the current quarter.

9 During the quarter ended 30 June 2025, the Reserve Bank of India (RBI), vide its e-mail communication dated 16 May 2025, directed the Holding Company to exclude credit enhancements provided under Default Loss Guarantee (DLG) arrangements from the computation of Expected Credit Loss (ECL). Consequently, the DLG benefit of ₹ 714 lakhs was excluded from the ECL computation. Subsequently, the RBI issued the 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 recomputed ECL provision as at 31 March 2026 after considering the expected recoveries from credit enhancements under DLG arrangements which resulted in a net decrease in the ECL provision by ₹ 2,900 lakhs.

Accordingly, the comparative financial information relating to the ECL provision for the quarter ended 30 June 2025 is not strictly comparable.

10 During the quarter ended 31 March 2026, 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.

During the current quarter, the Holding Company has reassessed the geopolitical uncertainties and potential impact as mentioned above on unsecured retail lending to MSMEs and individuals, including microfinance. Based on the reassessement the Holding Company has recognized an ECL provision of ₹ 6,584 lakhs (Quarter ended 31 March 2026 ₹ 6,603 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.

11 With respect to the financial results, the figure for the quarter ended 31 March 2026 represents the difference between the audited figure in respect of full financial year and unaudited / reviewed year to date figure for the nine months ended 31 December 2025.

For and on behalf of the Board of Directors

Ashish Mehrotra
Managing Director & CEO

Place: Mumbai
Date: 27 July 2026

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Statement of unaudited consolidated financial results of Northern Arc Capital Limited (the Holding Company) for the quarter ended 30 June 2026

Annexure A : List of entities included in the unaudited 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

Associates:
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Annexure B - Unaudited consolidated segment wise revenue, results, segment assets, segment liabilities and capital employed

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

Particulars	Quarter ended			Year ended
	30 June 2026	31 March 2026	30 June 2025	31 March 2026
Segment revenue				
Financing activity	76,749.88	72,439.15	59,058.40	2,63,429.57
Investment advisory services	3.77	5.45	5.40	21.48
Investment management services	916.85	460.05	1,325.03	4,164.31
Others	2,496.95	2,607.51	314.65	6,508.20
Total segment revenue	**80,167.45**	**75,512.16**	**60,703.48**	**2,74,123.56**
Less: Intersegment revenue	(2,190.12)	(1,346.59)	(160.16)	(5,099.22)
Total revenue from operations	**77,977.33**	**74,165.57**	**60,543.32**	**2,69,024.34**
Segment results (Profit before other income)				
Financing activity	15,936.71	18,395.32	12,015.78	57,226.24
Investment advisory services	5.31	4.59	4.42	18.08
Investment management services	(373.75)	(466.65)	344.71	283.17
Others	(613.63)	(105.03)	(2,127.31)	(4,121.69)
Total	**14,954.64**	**17,828.23**	**10,237.60**	**53,405.80**
Add: Other income	304.93	344.21	226.58	1,009.03
Add / less: Share of profit / (loss) post tax from associate	34.85	(615.35)	(27.67)	(858.66)
Profit before tax	**15,294.42**	**17,557.09**	**10,436.51**	**53,556.17**
Segment assets				
Financing activity	16,99,438.41	16,56,865.24	13,12,269.30	16,56,865.24
Investment advisory services	356.66	207.15	371.06	207.15
Investment management services	11,812.63	11,946.13	13,615.54	11,946.13
Others	6,069.83	5,267.05	5,119.38	5,267.05
Unallocated	174.63	174.63	174.63	174.63
Total	**17,17,852.16**	**16,74,460.20**	**13,31,549.91**	**16,74,460.20**
Segment liabilities				
Financing activity	13,02,690.51	12,75,881.68	9,68,704.45	12,75,881.68
Investment advisory services	1.19	1.27	0.78	1.27
Investment management services	6,848.53	6,741.50	7,970.39	6,741.50
Others	2,030.49	1,735.10	1,374.65	1,735.10
Total	**13,11,570.72**	**12,84,359.55**	**9,78,050.27**	**12,84,359.55**
Capital employed (Segment assets - Segment liabilities)				
Financing activity	3,96,747.90	3,80,983.56	3,43,564.85	3,80,983.56
Investment advisory services	355.47	205.88	370.28	205.88
Investment management services	4,964.10	5,204.63	5,645.15	5,204.63
Others	4,213.97	3,706.58	3,919.36	3,706.58
	4,06,281.44	**3,90,100.65**	**3,53,499.64**	**3,90,100.65**

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