

**Walker ChandioK & Co LLP**

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**Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date 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 'NBFC') 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 quarter ended **31 December 2025** and the consolidated year to date results for the period 01 April 2025 to 31 December 2025, 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.



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

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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 ₹ 1,996.93 lakhs and ₹ 3,916.72 lakhs, total net profit / (loss) after tax of ₹ 669.77 lakhs and ₹ (3,014.29) lakhs, and total comprehensive income / (loss) of ₹ 675.37 lakhs and ₹ (2,998.97) lakhs for the quarter and nine month period ended 31 December 2025 respectively, as considered in the Statement. The Statement also includes the Group's share of net profit / (loss) after tax of ₹ 68.92 lakhs and ₹ (243.31) lakhs and total comprehensive income / (loss) of ₹ 68.92 lakhs and ₹ (243.31) lakhs for the quarter and year-to-date period ended 31 December 2025 respectively, as considered in the Statement, in respect of two associates, whose interim financial information have not been reviewed by us. These interim financial information has 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 and associates 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 matters with respect to our reliance on the work done by and the reports of the other auditors.

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

**Murad D. Daruwalla**  
Partner  
Membership No:043334



**UDIN:26043334LRGHRY6918**

Place: Mumbai  
Date: 30 January 2026

**Northern Arc Capital Limited**  
**Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and**  
**Year to Date Results of Northern Arc Capital Limited pursuant to Regulation 33 of the SEBI (Listing**  
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**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 Corporates Bond Trust
2. FinReach Solutions Private Limited (Till 12 May 2025)





Northern Arc Capital Limited  
CIN: L65910TN1989PLC017021

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

Statement of unaudited consolidated financial results of Northern Arc Capital Limited (the Holding Company) for the quarter and nine months ended 31 December 2025

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

Particulars	Quarter ended			Nine months ended		Year ended
	31 December 2025	30 September 2025	31 December 2024	31 December 2025	31 December 2024	31 March 2025
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>Revenue from operations</b>						
Interest income	62,872.43	56,561.35	52,338.27	1,75,234.71	1,62,532.96	2,17,608.94
Fee and commission income	2,825.33	2,244.40	2,293.94	7,631.86	6,622.76	9,264.25
Net gain on fair value changes	801.99	1,269.76	1,351.35	3,179.32	2,242.64	3,165.31
Net gain on derecognition of financial instruments	5,614.40	2,669.35	1,623.95	9,356.44	2,510.75	4,122.53
<b>Total revenue from operations</b>	<b>72,114.15</b>	<b>62,744.86</b>	<b>57,607.51</b>	<b>1,95,402.33</b>	<b>1,73,909.11</b>	<b>2,34,161.03</b>
Other income	313.50	124.74	462.87	664.82	992.82	1,412.70
<b>Total income</b>	<b>72,427.65</b>	<b>62,869.60</b>	<b>58,070.38</b>	<b>1,96,067.15</b>	<b>1,74,901.93</b>	<b>2,35,573.73</b>
<b>Expenses</b>						
Finance costs	23,118.97	20,820.93	21,370.71	65,573.84	62,830.73	82,835.99
Fees and commission expense	9,129.49	7,234.18	7,993.72	23,050.99	22,449.35	28,852.49
Employee benefits expenses	8,507.26	8,441.29	7,383.09	24,545.88	21,635.07	28,467.30
Impairment on financial instruments	13,000.85	9,244.26	8,146.86	32,465.02	21,119.52	40,484.89
Depreciation and amortisation	488.33	497.00	586.64	1,409.16	1,291.85	1,788.18
Other expenses	4,785.79	4,250.69	3,140.04	12,779.87	10,315.48	14,334.86
<b>Total expenses</b>	<b>59,030.69</b>	<b>50,488.35</b>	<b>48,621.06</b>	<b>1,59,824.76</b>	<b>1,39,642.00</b>	<b>1,96,763.71</b>
<b>Profit before share of loss of associates and taxes</b>	<b>13,396.96</b>	<b>12,381.25</b>	<b>9,449.32</b>	<b>36,242.39</b>	<b>35,259.93</b>	<b>38,810.02</b>
Share of profit / (loss) from associates	68.92	(284.56)	(45.23)	(243.31)	(152.43)	(201.96)
<b>Profit before tax</b>	<b>13,465.88</b>	<b>12,096.69</b>	<b>9,404.09</b>	<b>35,999.08</b>	<b>35,107.50</b>	<b>38,608.06</b>
<b>Tax expense</b>						
Current tax	1,727.60	3,066.13	4,381.11	10,174.49	12,296.18	16,395.78
Adjustment of tax relating to earlier periods	-	-	0.61	-	0.61	(999.71)
MAT credit entitlement	-	-	-	-	-	(0.64)
Deferred tax benefit	1,568.27	(66.98)	(2,295.40)	(1,267.78)	(3,483.43)	(6,919.18)
<b>Total tax expense</b>	<b>3,295.87</b>	<b>2,999.15</b>	<b>2,086.32</b>	<b>8,906.71</b>	<b>8,813.36</b>	<b>8,476.25</b>
<b>Profit for the period / year</b>	<b>10,170.01</b>	<b>9,097.54</b>	<b>7,317.77</b>	<b>27,092.37</b>	<b>26,294.14</b>	<b>30,131.81</b>
<b>Other comprehensive income</b>						
<b>Items that will not be reclassified to profit or loss in subsequent periods</b>						
Remeasurement (loss) on the defined benefit plans	(114.65)	(8.89)	(0.29)	(122.86)	(23.21)	(105.55)
Income tax relating to items that will not be reclassified to profit or loss	28.86	2.24	0.07	30.93	5.84	26.57
	<b>(85.79)</b>	<b>(6.65)</b>	<b>(0.22)</b>	<b>(91.93)</b>	<b>(17.37)</b>	<b>(78.98)</b>
<b>Items that will be reclassified to profit or loss in subsequent periods</b>						
Net gain / (loss) on financial instruments through other comprehensive income	2,772.15	774.69	(2,389.60)	5,064.32	(6,290.23)	(2,908.30)
Income tax relating to items that will be reclassified to profit or loss	(697.75)	(194.99)	601.46	(1,274.69)	1,583.25	732.01
	<b>2,074.40</b>	<b>579.70</b>	<b>(1,788.14)</b>	<b>3,789.63</b>	<b>(4,706.98)</b>	<b>(2,176.29)</b>
Net gain / (loss) on effective portion of cash flow hedges	321.15	4,384.70	3,593.16	3,781.06	3,951.57	(901.53)
Income tax relating to items that will be reclassified to profit or loss	(80.83)	(1,103.63)	(904.40)	(951.69)	(994.61)	226.92
	<b>240.32</b>	<b>3,281.07</b>	<b>2,688.76</b>	<b>2,829.37</b>	<b>2,956.96</b>	<b>(674.61)</b>
<b>Other comprehensive income / (loss) for the period / year (net of income taxes)</b>	<b>2,228.93</b>	<b>3,854.12</b>	<b>900.40</b>	<b>6,527.07</b>	<b>(1,767.39)</b>	<b>(2,929.88)</b>
<b>Total comprehensive income for the period / year (net of income taxes)</b>	<b>12,398.94</b>	<b>12,951.66</b>	<b>8,218.17</b>	<b>33,619.44</b>	<b>24,526.75</b>	<b>27,201.93</b>
<b>Profit for the period / year attributable to</b>						
Owners of the holding company	10,075.61	9,170.74	7,562.44	27,351.52	26,678.63	30,454.79
Non-controlling Interest	94.40	(73.20)	(244.67)	(259.15)	(384.49)	(322.98)
<b>Other comprehensive income for the period / year, net of income taxes attributable to</b>						
Owners of the holding company	2,229.70	3,853.96	900.26	6,526.39	(1,766.17)	(2,926.69)
Non-controlling Interest	(0.77)	0.16	0.14	0.68	(1.22)	(3.19)
<b>Total comprehensive income for the period / year, net of income taxes attributable to</b>						
Owners of the holding company	12,305.31	13,024.70	8,462.70	33,877.91	24,912.46	27,528.10
Non-controlling Interest	93.63	(73.04)	(244.53)	(258.47)	(385.71)	(326.17)
<b>Earnings per equity shares, of INR 10 each [Equity shares, par value of Rs.10 each] *</b>						
Basic (in rupees)	6.24	5.68	4.69	16.94	17.97	20.08
Diluted (in rupees)	6.21	5.62	4.66	16.88	17.87	20.03

\* Earnings per share for the quarters and nine month period are not annualized  
See accompanying notes to the unaudited 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 unaudited consolidated financial results of Northern Arc Capital Limited (the Holding Company) for the quarter and nine months ended 31 December 2025**

**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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**Statement of unaudited consolidated financial results of Northern Arc Capital Limited (the Holding Company) for the quarter and nine months ended 31 December 2025**

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

**Annexure II - Unaudited consolidated segment wise revenue, results, segment assets, segment liabilities and capital employed**

Particulars	Quarter ended			Nine months ended		Year ended
	31 December 2025	30 September 2025	31 December 2024	31 December 2025	31 December 2024	31 March 2025
<b>Segment Revenue</b>						
Financing activity	71,157.30	61,318.28	55,007.47	1,91,533.98	1,69,631.14	2,28,434.01
Investment advisory services	5.41	5.22	-	16.03	-	-
Investment management services	880.75	1,498.48	2,335.97	3,704.26	4,116.41	5,046.10
Others	1,991.52	1,594.52	1,732.44	3,900.69	5,948.02	6,034.05
<b>Total segment revenue</b>	<b>74,034.98</b>	<b>64,416.50</b>	<b>59,075.88</b>	<b>1,99,154.96</b>	<b>1,79,695.57</b>	<b>2,39,514.16</b>
Less: Intersegment revenue	(1,920.83)	(1,671.64)	(1,468.37)	(3,752.63)	(5,786.46)	(5,353.13)
<b>Total revenue from operations</b>	<b>72,114.15</b>	<b>62,744.86</b>	<b>57,607.51</b>	<b>1,95,402.33</b>	<b>1,73,909.11</b>	<b>2,34,161.03</b>
<b>Segment Results (Profit before other income)</b>						
Financing activity	11,911.86	14,903.28	11,962.04	38,830.92	38,635.65	46,498.77
Investment advisory services	4.41	4.66	(1.35)	13.49	(5.21)	-
Investment management services	288.45	116.66	531.17	749.82	71.14	60.67
Others	878.74	(2,768.08)	(3,505.41)	(4,016.66)	(4,434.47)	(9,162.12)
<b>Total</b>	<b>13,083.46</b>	<b>12,256.51</b>	<b>8,986.45</b>	<b>35,577.57</b>	<b>34,267.11</b>	<b>37,397.32</b>
Add: Other income	313.50	124.74	462.87	664.82	992.82	1,412.70
Less: Share of profit / (loss) post tax from associate	68.92	(284.56)	(45.23)	(243.31)	(152.43)	(201.96)
<b>Profit before tax</b>	<b>13,465.88</b>	<b>12,096.69</b>	<b>9,404.09</b>	<b>35,999.08</b>	<b>35,107.50</b>	<b>38,608.06</b>
<b>Segment assets</b>						
Financing activity	15,23,241.48	14,17,229.92	12,18,646.74	15,23,241.48	12,18,646.74	13,45,255.13
Investment advisory services	378.05	374.57	398.29	378.05	398.29	367.86
Investment management services	13,567.06	13,198.86	14,635.92	13,567.06	14,635.92	13,336.91
Others	5,661.16	5,192.23	6,239.37	5,661.16	6,239.37	4,672.68
Unallocated	174.63	174.63	174.63	174.63	174.63	174.63
<b>Total</b>	<b>15,43,022.38</b>	<b>14,36,170.21</b>	<b>12,40,094.95</b>	<b>15,43,022.38</b>	<b>12,40,094.95</b>	<b>13,63,807.21</b>
<b>Segment Liabilities</b>						
Financing activity	11,53,929.03	10,57,408.26	8,88,965.38	11,53,929.03	8,88,965.38	10,09,909.75
Investment advisory services	1.01	0.81	29.97	1.01	29.97	0.82
Investment management services	8,017.91	7,798.77	8,590.72	8,017.91	8,590.72	8,274.42
Others	1,768.31	4,368.62	1,609.59	1,768.31	1,609.59	1,665.89
<b>Total</b>	<b>11,63,716.26</b>	<b>10,69,576.46</b>	<b>8,99,195.66</b>	<b>11,63,716.26</b>	<b>8,99,195.66</b>	<b>10,19,850.88</b>
<b>Capital employed (Segment assets - Segment liabilities)</b>						
Financing activity	3,69,312.45	3,59,821.66	3,29,681.36	3,69,312.45	3,29,681.36	3,35,345.38
Investment advisory services	377.04	373.76	368.32	377.04	368.32	367.04
Investment management services	5,549.15	5,400.09	6,045.20	5,549.15	6,045.20	5,062.49
Others	3,609.67	998.24	4,804.41	3,609.67	4,804.41	3,181.42



**Northern Arc Capital Limited**

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**Statement of unaudited consolidated financial results of Northern Arc Capital Limited (the Holding Company) for the quarter and nine months ended 31 December 2025**

**Notes:**

- The unaudited 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 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 30 January 2026 and have been subjected to a limited review by the statutory auditors of the Holding Company.
- The unaudited consolidated financial results include the financial results of the Holding Company, its subsidiaries (collectively referred as "Group") and its associates listed in Annexure I.
- During the period ended 31 December 2025, 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.
- 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:

₹ in lakhs			
Objects of the issue	IPO Proceeds	Utilisation upto 31 December 2025	Unutilised as at 31 December 2025
Meet future capital requirements towards onward lending	44,984.46	44,984.46	-
<b>Total</b>	<b>44,984.46</b>	<b>44,984.46</b>	<b>-</b>

- 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.
- The segment reporting in accordance with Ind AS 108 on "Operating Segments" in respect of the consolidated financials results are given in Annexure II.
- 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.
- Disclosures in compliance with Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter and period ended 31 December 2025 is attached as Annexure I to the unaudited standalone financial results of the Holding Company.
- Pursuant to email communication dated 16 May 2025 received from Reserve Bank of India (RBI) directing the Holding Company to exclude the credit enhancements under First Loss Default Guarantee (FLDG) arrangements in the computation of expected credit loss (ECL), the Holding Company had evaluated the total impact to be INR 8,041 lakhs as at 31 March 2025 of which INR 6,835 lakhs was recorded during the quarter ended 31 March 2025. The exposure pertaining to remaining ECL of INR 1,206 lakhs has recorded / rundown during the nine months period ended 31 December 2025.
- 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 unaudited consolidated financial results, and the Group continues to monitor developments and will review its estimates as further clarifications and Rules are notified.
- The financial results for the quarter ended 31 December 2025 and 31 December 2024, being the balancing figures between the un-audited figures in respect of the financial results for the period ended 30 September 2025 and 30 September 2024 and the unaudited year-to-date figures of 31 December 2025 and 31 December 2024, respectively.



For and on behalf of the Board of Directors

Ashish Mehrotra  
Managing Director & CEO



Place: Mumbai

Date: 30 January 2026