

**Walker ChandioK & Co LLP**

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

**To the Board of Directors of Northern Arc Capital Limited**

**Opinion**

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



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

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**Basis for Opinion**

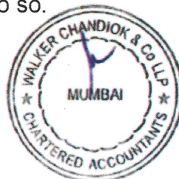
3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statement section of our report. We are independent of the Group and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

**Emphasis of Matter**

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

**Responsibilities of Management and Those Charged with Governance for the Statement**

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



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Chartered Accountants

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

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



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

**Auditor's Responsibilities for the Audit of the Statement**

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



**Northern Arc Capital Limited**

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

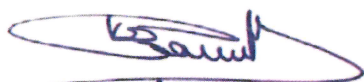
**Other Matters**

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

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No:001076N/N500013



**Khushroo B. Panthaky**

Partner

Membership No:042423

**UDIN: 25042423BMNRBO3326**

Place: Nagpur

Date: 19 May 2025



**Northern Arc Capital Limited**  
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**Annexure 1**

**List of entities included in the Statement**

**Subsidiaries:**

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

**Associates:**

Finreach Solutions Private Limited  
Northern Arc Emerging Corporates Bond Trust



**NORTHERN ARC CAPITAL LIMITED**

CIN: L65910TN1989PLC017021

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

Statement of audited Consolidated Financial Results for the quarter and year ended March 31, 2025

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

**Note:**

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

Place : Mumbai  
Date : May 19, 2025



*Ashish Mehrotra*  
Managing Director & CEO



*At*



Northern Arc Capital Limited  
CIN: L65910TN1989PLC017021

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

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

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

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



Northern Arc Capital Limited  
CIN: L65910TN1989PLC017021

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

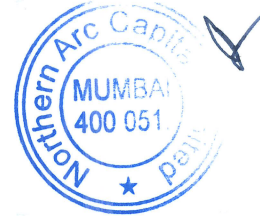
Statement of consolidated financial results of Northern Arc Capital Limited (the Holding Company) for the quarter and year ended 31 March 2025

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

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

\* Earnings per share for the quarters are not annualized

See accompanying notes to the audited consolidated financial results





**Northern Arc Capital Limited**  
CIN: L65910TN1989PLC017021

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

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

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

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

See accompanying notes to the audited consolidated financial results



<p style="text-align: center;">Northern Arc Capital Limited CIN: L65910TN1989PLC017021 Regd. Office: IITM Research Park, Phase I, 10th Floor, Kanagam Village, Taramani, Chennai - 600 113 Statement of consolidated financial results of Northern Arc Capital Limited (the Holding Company) for the quarter and year ended 31 March 2025 Statement of audited consolidated cash flows for the year ended 31 March 2025  (All amounts are in Indian rupees in lakhs, unless otherwise stated)</p>		
Particulars	Year ended 31 March 2025	Year ended March 31, 2024
<b>A Cash flow from operating activities</b>		
Profit before tax	38,608.06	42,023.61
<b>Adjustments to reconcile restated profit before tax to net cash flows:</b>		
Depreciation and amortisation expenses	1,788.65	1,694.42
Write off of intangible assets under development	-	18.59
Unrealised loss on investments	1,366.38	572.50
Interest income on loans, fixed deposits and investments	(2,17,787.52)	(1,69,653.43)
Gain on investments in mutual fund	(731.47)	(1,046.17)
(Profit)/Loss on sale of investments	(731.75)	(1,175.93)
Impairment on financial instruments and amounts written off	37,852.62	12,243.79
Employee share based payment expenses	1,558.91	1,735.92
(Profit)/loss on sale of plant, property and equipments	-	0.85
(Gain)/loss on account of lease foreclosed	(0.78)	(1.13)
Amortisation of discount on commercial papers	2,400.31	1,826.37
Share of loss of Associate	201.96	97.21
Interest on income tax refund	(215.10)	-
Net gain on derecognition of financial assets	(4,122.53)	(4,742.54)
Finance costs	80,435.68	70,838.64
<b>Cash used in operations before working capital changes and adjustments</b>	<b>(59,376.58)</b>	<b>(45,567.30)</b>
<b>Changes in working capital and other changes:</b>		
Decrease/(Increase) in other financial assets	5,416.13	(2,076.75)
Decrease in trade receivables	1,978.42	932.10
(Increase) in loans	(2,86,906.59)	(3,56,829.95)
Decrease/(Increase) in other non-financial assets	528.90	(949.23)
(Increase) in other bank balances	(8,952.11)	(3,665.44)
(Increase) / Decrease in investments	-	(14,053.95)
Decrease in other financial liabilities	1,813.58	2,211.05
Decrease in other non-financial liabilities	1,357.08	306.67
(Decrease) / Increase in trade payables and provisions	(8,789.97)	2,351.89
<b>Cash used in operations before adjustments</b>	<b>(3,52,931.14)</b>	<b>(4,17,340.91)</b>
Proceeds from de-recognition of financial assets	81,746.19	1,01,292.05
Interest income received on loans, fixed deposits and investments	2,14,482.46	1,63,802.25
Recovery from written off assets	44,712.79	22,544.38
Finance cost paid	(82,117.66)	(73,866.56)
Income tax paid (net)	(10,560.17)	(9,875.68)
<b>Net cash flow used in operating activities</b>	<b>(1,04,667.53)</b>	<b>(2,13,444.47)</b>
<b>B Cash flows from investing activities</b>		
Purchase of property, plant and equipment (net of proceeds)	(1,807.55)	(1,369.88)
Purchase of investments	(3,81,172.11)	(7,04,676.81)
Proceeds from sale of investments	3,70,436.47	7,09,927.60
Term deposit with scheduled banks	401.93	103.11
Investment in associate	(26,730.49)	(449.13)
Interest income received	51.02	69.58
<b>Net cash (used in)/generated from investing activities</b>	<b>(38,820.73)</b>	<b>3,604.47</b>
<b>C Cash flow from financing activities</b>		
Proceeds from issue of debt securities	87,500.00	84,426.00
Repayment of debt securities	(87,181.54)	(63,589.70)
Proceeds from borrowings (other than debt securities)	9,98,902.61	7,85,124.40
Repayment of borrowings (other than debt securities)	(9,27,188.99)	(5,97,309.15)
Repayment of Subordinated liabilities	-	(3,995.07)
Payment of principal portion of lease liabilities	(379.88)	(516.06)
Payment of interest on lease liabilities	(270.80)	(175.01)
Proceeds from issue of equity share capital including securities premium	87,154.77	496.96
Share application money received pending allotment	38.84	83.76
<b>Net cash flow from financing activities</b>	<b>1,58,575.01</b>	<b>2,04,546.13</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>15,086.75</b>	<b>(5,293.87)</b>
Cash and cash equivalents at the beginning of the year	17,940.08	23,233.95
Cash and cash equivalents at the end of the year	<b>33,026.83</b>	<b>17,940.08</b>

See accompanying notes to the audited consolidated financial results





**Northern Arc Capital Limited**  
**CIN: L65910TN1989PLC017021**

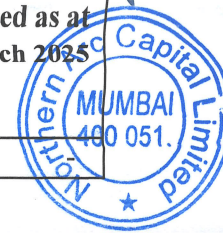
**Regd. Office: IITM Research Park, Phase I, 10th Floor, Kanagam Village, Taramani, Chennai - 600 113**

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

**Notes:**

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

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



**Northern Arc Capital Limited**

**CIN: L65910TN1989PLC017021**

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

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

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

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

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

**Place:** Mumbai  
**Date :** 19 May 2025



For and on behalf of the Board of Directors

  
**Ashish Mehrotra**  
Managing Director & CEO





Northern Arc Capital Limited

CIN: L65910TN1989PLC017021

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

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

**Subsidiaries:**

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

**Associate:**

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



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

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

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

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

