



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,

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