

**Independent Auditor's Report on the Quarterly and Year to Date Audited Standalone Financial Results of the Company Pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

To  
The Board of Directors of  
Northern Arc Capital Limited

**Report on the audit of the Standalone Financial Results****Opinion**

We have audited the accompanying statement of quarterly and year to date standalone financial results of Northern Arc Capital Limited (the "Company") for the quarter ended March 31, 2024 and for the year ended March 31, 2024 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the quarter ended March 31, 2024 and for the year ended March 31, 2024.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

**Management's Responsibilities for the Standalone Financial Results**

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Financial Results**

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 SAs 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 the Statement.

As part of an audit in accordance with SAs, 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 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 the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results 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 Company 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.



# ***S.R. BATLIBOI & ASSOCIATES LLP***

Chartered Accountants

## **Other Matter**

The Statement includes the results for the quarter ended March 31, 2024 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2024 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

**For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004



per Bharath N S

Partner

Membership No.: 210934



UDIN: 24210934BKFUNJ3664

Place: Chennai

Date: May 29, 2024



Northern Arc Capital Limited  
CIN: U65910TN1989PLC017021

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

Statement of audited standalone financial results of Northern Arc Capital Limited (the "Company") for the quarter and year ended March 31, 2024

Statement of standalone results for the quarter and year ended March 31, 2024

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

Particulars	Quarter ended			Year ended	
	31 March 2024	31 December 2023	31 March 2023	31 March 2024	31 March 2023
	Audited (refer Note 10)	Unaudited	Audited (refer Note 10)	Audited	Audited
<b>Revenue from operations</b>					
Interest income	50,565.35	44,769.59	29,965.50	1,69,934.25	1,12,255.24
Fee and commission income	1,783.78	581.37	1,345.89	4,243.93	5,628.15
Net gain on fair value changes	270.23	566.31	1,254.06	3,945.31	5,327.33
Net gain on derecognition of financial instruments	1,709.87	1,373.36	1,482.77	4,742.54	2,034.23
<b>Total revenue from operations</b>	<b>54,329.23</b>	<b>47,290.63</b>	<b>34,048.22</b>	<b>1,82,866.03</b>	<b>1,25,244.95</b>
Other income	1,100.76	108.70	202.50	1,565.65	542.53
<b>Total income</b>	<b>55,429.99</b>	<b>47,399.33</b>	<b>34,250.72</b>	<b>1,84,431.68</b>	<b>1,25,787.48</b>
<b>Expenses</b>					
Finance costs	20,380.81	18,399.37	14,852.68	72,586.35	55,690.71
Fees and commission expense	12,411.35	7,221.93	4,396.74	31,714.19	15,947.57
Employee benefits expenses	5,027.72	4,656.59	3,007.46	17,961.03	10,957.43
Impairment on financial instruments	2,461.97	5,341.61	2,342.95	12,313.52	3,894.37
Depreciation and amortisation	400.21	410.44	136.65	1,467.03	1,026.14
Other expenses	3,812.98	2,484.32	1,548.89	10,847.33	7,966.32
<b>Total expenses</b>	<b>44,495.04</b>	<b>38,514.26</b>	<b>26,285.37</b>	<b>1,46,889.45</b>	<b>95,482.54</b>
<b>Profit before tax</b>	<b>10,934.95</b>	<b>8,885.07</b>	<b>7,965.35</b>	<b>37,542.23</b>	<b>30,304.94</b>
<b>Tax expense</b>					
Current tax	2,885.07	2,980.00	3,190.00	10,189.07	9,487.00
Deferred tax charge / (benefit)	(144.06)	(708.69)	(1,094.39)	(663.95)	(1,717.67)
<b>Total tax expense</b>	<b>2,741.01</b>	<b>2,271.31</b>	<b>2,095.61</b>	<b>9,525.12</b>	<b>7,769.33</b>
<b>Profit for the period / year</b>	<b>8,193.94</b>	<b>6,613.76</b>	<b>5,869.74</b>	<b>28,017.11</b>	<b>22,535.61</b>
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to profit or loss in subsequent periods</b>					
Remeasurement gain / (loss) on the defined benefit plan	61.31	(23.45)	279.32	(9.04)	120.32
Income tax relating to items that will not be reclassified to profit or loss	(15.42)	5.91	(70.30)	2.28	(30.28)
	<b>45.89</b>	<b>(17.54)</b>	<b>209.02</b>	<b>(6.76)</b>	<b>90.04</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	805.61	(1,012.45)	2,254.16	1,228.99	(559.17)
Income tax relating to items that will be reclassified to profit or loss	(202.77)	254.83	(567.38)	(309.34)	140.74
	<b>602.84</b>	<b>(757.62)</b>	<b>1,686.78</b>	<b>919.65</b>	<b>(418.43)</b>
Net gain / (loss) on effective portion of cash flow hedges	1,014.90	246.08	1,071.92	1,362.19	(1,010.85)
Income tax relating to items that will be reclassified to profit or loss	(255.45)	(61.94)	(269.80)	(342.86)	254.44
	<b>759.45</b>	<b>184.14</b>	<b>802.12</b>	<b>1,019.33</b>	<b>(756.41)</b>
	<b>1,362.29</b>	<b>(573.48)</b>	<b>2,488.90</b>	<b>1,938.98</b>	<b>(1,174.84)</b>
<b>Other comprehensive income for the period / year (net of income tax)</b>	<b>1,408.18</b>	<b>(591.02)</b>	<b>2,697.92</b>	<b>1,932.22</b>	<b>(1,084.80)</b>
<b>Total comprehensive income for the period / year (net of income tax)</b>	<b>9,602.12</b>	<b>6,022.74</b>	<b>8,567.66</b>	<b>29,949.33</b>	<b>21,450.81</b>
<b>Earnings per equity shares, par value of INR 10 each*</b>					
Basic (in rupees)	9.20	7.43	6.60	31.45	25.34
Diluted (in rupees)	6.20	5.02	4.45	21.26	17.03
	*Not annualised	*Not annualised	*Not annualised	*Annualised	*Annualised

See accompanying notes to the audited standalone financial results



**Northern Arc Capital Limited**  
CIN: U65910TN1989PLC017021

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

Statement of audited standalone financial results of Northern Arc Capital Limited (the "Company") for the quarter and year ended March 31, 2024

**Statement of standalone assets and liabilities**

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

Particulars	As at 31 March 2024 (Audited)	As at 31 March 2023 (Audited)
<b>ASSETS</b>		
<b>Financial assets</b>		
Cash and cash equivalents	16,123.83	20,401.99
Bank balances other than cash and cash equivalents	22,213.03	18,314.20
Derivative financial instruments	5,481.94	6,104.84
Trade receivables	1,437.83	1,890.98
Loans	9,30,987.51	6,89,030.00
Investments	1,65,268.61	1,69,665.29
Other financial assets	9,123.47	4,501.98
	<b>11,50,636.22</b>	<b>9,09,909.28</b>
<b>Non-financial assets</b>		
Current tax assets (net)	1,206.41	2,127.90
Deferred tax assets (net)	3,456.92	3,442.89
Property, plant and equipment	324.97	219.85
Intangible assets under development	231.13	98.87
Goodwill	2,085.13	2,085.13
Other intangible assets	1,178.89	1,336.01
Right of use asset	1,205.55	652.85
Other non-financial assets	1,631.42	601.63
	<b>11,320.42</b>	<b>10,565.13</b>
<b>TOTAL ASSETS</b>	<b>11,61,956.64</b>	<b>9,20,474.41</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>Financial liabilities</b>		
Derivative financial instruments	298.65	227.59
Trade payables	-	-
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	13,588.16	10,642.39
Debt securities	1,41,372.46	1,22,431.55
Borrowings (other than debt securities)	7,63,403.14	5,77,029.86
Subordinated liabilities	-	3,995.07
Other financial liabilities (including lease liabilities)	14,284.24	9,780.97
	<b>9,32,946.65</b>	<b>7,24,107.43</b>
<b>Non-financial liabilities</b>		
Provisions	2,782.77	2,693.44
Other non-financial liabilities	1,191.89	958.45
	<b>3,974.66</b>	<b>3,651.89</b>
<b>EQUITY</b>		
Equity share capital	8,938.54	8,903.13
Instruments entirely equity in nature	8,264.64	8,264.64
Other equity	2,07,832.15	1,75,547.32
	<b>2,25,035.33</b>	<b>1,92,715.09</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>11,61,956.64</b>	<b>9,20,474.41</b>

See accompanying notes to the standalone financial results



Northern Arc Capital Limited  
CIN: U65910TN1989PLC017021

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

Statement of audited standalone financial results of Northern Arc Capital Limited (the "Company") for the quarter and year ended March 31, 2024  
Statement of Standalone Cashflows

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

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>A Cash flow from operating activities</b>		
Profit before tax	37,542.23	30,304.94
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation and amortisation expenses	1,467.03	1,026.14
Write off of intangible assets under development	18.59	-
Interest income on loans, fixed deposits and investments	(1,69,934.25)	(1,12,255.24)
Unrealised (gain)/ loss on investments	123.07	1,335.97
Gain on investment in mutual funds	(409.27)	(720.30)
Profit on sale of investments	(1,100.67)	(1,680.78)
Impairment on financial instruments	(19,974.42)	3,894.37
Bad debts written off	32,287.94	-
Employee share based payment expenses	1,735.92	148.75
Amortisation of discount on commercial papers	1,826.37	1,037.81
Finance costs	70,759.98	54,652.90
(Profit)/ loss on sale of plant, property and equipments	0.85	(23.87)
Interest on income tax refund	-	(143.54)
Net gain on derecognition of financial assets	(4,742.54)	(2,034.23)
(Gain)/ loss on account of lease foreclosed	(1.13)	-
<b>Cash used in operations before working capital changes and adjustments</b>	<b>(50,400.30)</b>	<b>(24,457.08)</b>
<b>Changes in working capital and other changes:</b>		
(Increase) / Decrease in other financial assets	(4,624.21)	2,672.60
(Increase) / Decrease in trade receivables	453.15	(72.69)
(Increase) / Decrease in loans	(3,66,928.26)	(1,97,744.79)
(Increase) / Decrease in other non financial assets	(1,029.79)	1,356.80
(Increase) / Decrease in other bank balances	(3,665.44)	(9,792.93)
Increase / (Decrease) in other financial liabilities	3,947.59	4,182.03
Increase / (Decrease) in other non-financial liabilities	233.44	532.70
Increase / (Decrease) in trade payables and provisions	3,133.33	5,273.64
<b>Cash used in operations before adjustments</b>	<b>(4,18,880.49)</b>	<b>(2,18,049.72)</b>
Proceeds from de-recognition of financial assets	1,01,292.05	38,538.00
Recovery from written off assets	22,544.38	-
Interest income received on loans, fixed deposits and investments	1,64,165.32	1,12,273.53
Finance cost paid	(73,866.56)	(54,542.00)
Income tax paid (net)	(9,267.58)	(7,414.77)
<b>Net cash flow generated from / (used in) operating activities</b>	<b>(A) (2,14,012.88)</b>	<b>(1,29,194.96)</b>
<b>B Cash flows from investing activities</b>		
Purchase of Property, plant and equipment (net of proceeds)	(1,069.76)	(1,162.05)
Purchase of investments	(7,02,807.95)	(6,84,016.85)
Proceeds from sale of investments	7,09,319.00	6,79,278.39
Investment in Associate	(449.13)	(494.40)
Investment in subsidiary	(50.00)	-
Payment towards acquisition of specified assets and liabilities (net of cash)	-	(11,162.91)
Payment towards transfer of specified assets and liabilities to subsidiary (net of cash)	-	(279.55)
<b>Net cash generated from / (used in) investing activities</b>	<b>(B) 4,942.16</b>	<b>(17,837.37)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from issue of debt securities	84,426.00	87,710.00
Repayment of debt securities	(63,589.70)	(99,890.78)
Proceeds from borrowings (other than debt securities)	7,70,863.11	4,13,787.51
Repayment of borrowings (other than debt securities)	(5,82,877.43)	(3,04,804.91)
Repayment of subordinated liabilities	(3,995.07)	-
Payment of principal portion of lease liabilities	(492.22)	(261.85)
Payment of interest on lease liabilities	(122.85)	(91.95)
Share application money received pending allotment	83.76	-
Proceeds from issue of equity share capital including securities premium	496.96	131.24
<b>Net cash generated from financing activities</b>	<b>(C) 2,04,792.56</b>	<b>96,579.26</b>
<b>Net increase in cash and cash equivalents</b>	<b>(A+B+C) (4,278.16)</b>	<b>(50,453.07)</b>
Cash and cash equivalents at the beginning of the year	20,401.99	70,421.30
Additions on acquisition of specified assets and liabilities	-	433.76
<b>Cash and cash equivalents at the end of the year</b>	<b>16,123.83</b>	<b>20,401.99</b>



**Northern Arc Capital Limited**  
CIN: U6910TN1989PLC017021

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

**Statement of audited standalone financial results of Northern Arc Capital Limited (the "Company") for the quarter and year ended March 31, 2024**

**Notes:**

- Northern Arc Capital Limited ("the Company") is a Non-Deposit taking Systemically Important Non-Banking Financial Company (NBFC-ND-SI), registered with the Reserve Bank of India ("the RBI"). The audited standalone financial results have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standard) Rules, 2015 as amended from time to time, notified under section 133 of the Companies Act 203 ('the Act') and other relevant provisions of the Act and in compliance with Regulation 52 of the Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended. Any application guidance/ clarifications/ directions issued by Reserve Bank of India (RBI) are implemented as and when they are issued/ becomes applicable. The statement of audited standalone financial results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their meetings held on May 29, 2024. The audited standalone financial results have been subjected to audit by the statutory auditors of the Company.
- The Reserve Bank of India (RBI) vide instruction RBI/2023-24/90 DOR.STR.REC.58/21.04.048/2023-24 dated December 19, 2023 which it further clarified vide its RBI/2023-24/140 DOR.STR.REC.85/21.04.048/2023-24 dated March 27, 2024 with regard to restriction of Investment in Alternative Investment Funds (AIF) by Regulated Entities (RE) ("RBI Instruction"), required entities regulated by RBI to liquidate investments in AIFs which had downstream investments in any debtor company of the regulated entity within a period of 30 days.  
The Company has taken active steps to comply with such instructions and has taken the following actions by March 31, 2024:  
a. liquidated units in AIFs amounting to Rs 11,415.31 Lakhs to third parties;  
b. sold subordinated units held by it in AIF aggregating Rs 10,800 Lakhs to its wholly owned subsidiary Northern Arc Investment Managers Private Limited (NAIM) (a SEBI regulated and RBI non-regulated entity) which were funded by way of a loan extended by the Company to NAIM, with necessary approvals from the Company's Board of Directors. The Company's investments in units of AIFs managed by such wholly owned subsidiary, substantially comprise investments in subordinate unit class of AIFs, being sponsor class units as required by applicable regulations by the Securities Exchange Board of India;  
c. and made a provision of Rs 224 Lakhs in respect of those investment remaining as unsold as required by Reserve Bank of India by the required timeline;  
As at March 31, 2024, the Company does not hold any investments in AIF which will require any additional provision. Further, loans or equity given to its subsidiary which is not an RBI regulated entity are considered in net owned fund computation considered for capital adequacy ratio of the Company. Based on the above actions and relevant legal and regulatory clarifications obtained through correspondence, the Company is of the view that it is fully compliant with the requirement of the RBI circular on investments in AIF.

- During the year ended March 31, 2024, pursuant to Northern Arc Employee Stock Option Scheme, 2016 and Northern Arc Employee Stock Option Scheme, 2018, the Board of Directors allotted 3,54,127 fully paid-up equity shares of Rs 10 each at an aggregate premium of Rs 687.38 Lakhs. Additionally, during the year ended March 31, 2024, the Company have approved grants of new ESOP schemes. No options are allotted or exercised from these grants.

- Details of loans transferred/ acquired during the year ended March 31, 2024 under Master Directions RBI (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021 are given below:

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

Particulars	Loan Participation	Transferred *	Acquired	
			Retail	Non Retail
Aggregate amount of loans transferred/ acquired through assignment	-	96,549.51	15,863.82	-
Weighted average maturity (in years)	-	2.07	1.88	-
Weighted average holding period (in years)	-	0.69	0.68	-
Retention of beneficial economic interest by originator	-	11,556.56	1,762.65	-
Tangible security coverage	-	-	-	-
Rating-wise distribution of related loans	-	-	-	-

\* Represents the amount of assigned portfolio

The Company has not acquired any stressed loans.

- Disclosure as per format prescribed under notification RBI/2020-21/16 DOR No BP BC/3/21/04 048/2020-21 dated August 06, 2020 and RBI/2021-22/31/DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021 for the year ended March 31, 2024 (borrowers who has been provided restructuring under RBI Resolution Framework - 2.0):

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous half-year	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year
	(A)	(B)	(C)	(D)	(E)
Personal Loans	-	-	-	-	-
Corporate persons					
Of which, MSMEs	0.86	-	-	0.86	-
Others	-	-	-	-	-
<b>Total</b>	<b>0.86</b>	<b>-</b>	<b>-</b>	<b>0.86</b>	<b>-</b>

- All secured listed non-convertible debentures issued by the Company are secured by way of an exclusive first charge on book debts with security to the extent as stated in the respective information memorandums. Further, the Company has maintained asset cover as stated in the respective information memorandums which is sufficient to discharge the principal amount at all times for the non-convertible debt securities issued.
- Disclosures in compliance with Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2024 is attached as Annexure 1.
- Based on the approval of the Board of Directors of the Company in their meeting held on February 2, 2024, the Company has filed the draft red herring prospectus dated February 2, 2024 with the Securities and Exchange Board of India, pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended in connection with the initial public offering of equity shares of Rs. 10 each of the Company.
- The Company is primarily in the business of financing and accordingly there are no separate reportable segments in accordance with IND AS 108, on "Operating Segments" in respect of the Company. The Company operates in a single geographical segment, i.e., India.
- Figures for the quarter ended March 31, 2024 are derived 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. Figures for the quarter ended March 31, 2023 are derived by deducting the reported year to date figures for the period ended December 31, 2022 which were subject to limited review, from audited figures for the year ended March 31, 2023.

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

Ashish Mehrotra  
Managing Director & CEO

Place: Mumbai  
Date: May 29, 2024





**Northern Arc Capital Limited**  
CIN: U65910TN1989PLC017021  
Regd. Office: IITM Research Park, Phase I, 10th Floor, Kanasgum Village, Taramani, Chennai - 600 113

Statement of audited standalone financial results of Northern Arc Capital Limited (the "Company") for the quarter and year ended March 31, 2024

**Annexure I:**

**1 Analytical ratios / disclosures required under Regulation 52 of the Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Particulars	Ref	As at 31 March 2024	As at 31 March 2023
Debt-equity ratio	1.1	4.02	3.65
Total debts to total assets	1.2	0.78	0.76
Net worth (amount in lakhs)	1.3	2,25,035.33	1,92,715.09
Capital redemption reserve (amount in lakhs)		2,660.00	2,660.00
Gross stage 3 assets ratio	1.4	0.47%	0.76%
Net stage 3 assets ratio	1.5	0.09%	0.36%
Capital adequacy ratio (CRAR)	1.6	18.26%	20.77%
Asset cover over listed non-convertible debentures	1.7	1.15	1.14

Particulars	Ref	Quarter ended		Year ended	
		31 March 2024	31 December 2023	31 March 2024	31 March 2023
Net profit margin (%)	1.8	17.32%	12.71%	25.01%	16.24%

- 1.1 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
- 1.2 Total debts to total assets is debt securities, borrowings (other than debt securities) and subordinated liabilities / total assets
- 1.3 Net worth is equal to equity share capital + instruments entirely equity in nature + other equity
- 1.4 Gross stage 3 assets ratio is gross stage 3 (loans+investments) / gross loans + investments
- 1.5 Net stage 3 assets ratio is gross stage 3 (loans and Investments) less impairment loss allowance for stage 3 (loans and investments)/gross (loans and investments) less impairment allowance for stage 3 (loans and investments)
- 1.6 Capital adequacy ratio or capital-to-risk weighted assets ratio (CRAR) is computed by dividing company's Tier I and Tier II capital by risk weighted assets.
- 1.7 Asset cover over listed non-convertible debentures represents the number of times the listed non-convertible debentures is covered through the loans and investments provided as security.
- 1.8 Net profit margin (%) is total comprehensive income for the period, net of income tax / total income

Other ratios / disclosures such as debt service coverage ratio, interest service coverage ratio, outstanding redeemable preference shares (quantity and value), capital redemption reserve/debenture redemption reserve, current ratio, long term debt to working capital, bad debts to account receivable ratio, current liability ratio, debtors turnover, inventory turnover and operating margin (%) are not applicable / relevant to the Company and hence not disclosed.

