S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

6th Floor - "A" Block
Tidel Park, No. 4
Rajiv Gandhi Salai
Taramani, Chennai - 600 113, India
Tel : +91 44 6117 9000

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

Review Report to
The Board of Directors
Northern Arc Capital Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of Northern Arc Capital Limited (the "Company") for the quarter ended December 31, 2023 and year to date from April 1, 2023 to December 31, 2023 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

2. The Company's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. The Statement has been approved by the Company's Board of Directors. 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. 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 Standards on Auditing 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.

4. Based on our review conducted as 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 the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. We draw attention to note no 2 regarding the status of the Company's compliance with the Reserve Bank of India's instructions dated December 19, 2023 with regard to investments in Alternate Investment Funds ("AIF") by regulated entities. Our conclusion is not modified in this respect.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

S.R. Batliboi & Associates LLP Chennai Chartered Accountants

per Bharath N S
Partner
Membership No.: 210934

UDIN: 24210934BKFULR1617
Place: Chennai
Date: February 13, 2024

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

Statement of unaudited standalone financial results of Northern Arc Capital Limited (the "Company") for the quarter ended December 31, 2023 and year to date from April 1, 2023 to December 31, 2023

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

Particulars	Quarter ended			Nine months period ended		Year ended
	31 December 2023	30 September 2023	31 December 2022	31 December 2023	31 December 2022	31 March 2023
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue from operations						
Interest income	44,769.59	38,704.61	28,655.11	1,19,368.90	82,289.74	1,12,255.24
Fees and commission income	581.37	1,106.82	1,227.52	2,460.15	4,282.26	5,628.15
Net gain on fair value changes	566.31	1,588.57	2,701.50	3,675.08	4,073.27	5,327.33
Net gain on derecognition of financial instruments	1,373.36	1,044.35	494.16	3,032.67	551.46	2,034.23
Total revenue from operations	**47,290.63**	**42,444.35**	**33,078.29**	**1,28,536.80**	**91,196.73**	**1,25,244.95**
Other income	108.70	219.12	217.19	464.89	340.03	542.53
Total income	**47,399.33**	**42,663.47**	**33,295.48**	**1,29,001.69**	**91,536.76**	**1,25,787.48**
Expenses						
Finance costs	18,399.37	17,425.21	14,538.87	52,205.54	40,838.03	55,690.71
Fees and commission expense	7,221.93	7,361.33	4,441.68	19,302.84	11,550.83	15,947.57
Impairment on financial instruments	5,341.61	1,346.53	(790.82)	9,851.55	1,551.42	3,894.37
Employee benefits expenses	4,656.59	4,321.33	3,321.90	12,933.31	7,949.97	10,957.43
Depreciation and amortisation	410.44	361.33	198.09	1,066.82	1,265.47	1,026.14
Other expenses	2,484.32	2,056.29	2,751.70	7,034.35	6,041.45	7,966.32
Total expenses	**38,514.26**	**32,872.02**	**24,461.42**	**1,02,394.41**	**69,197.17**	**95,482.54**
Profit before tax	**8,885.07**	**9,791.45**	**8,834.06**	**26,607.28**	**22,339.59**	**30,304.94**
Tax expense						
Current tax	2,980.00	2,175.00	1,831.00	7,304.00	6,297.00	9,487.00
Deferred tax charge / (benefit) (net)	(708.69)	336.62	457.37	(519.89)	(623.28)	(1,717.67)
Total tax expense	**2,271.31**	**2,511.62**	**2,288.37**	**6,784.11**	**5,673.72**	**7,769.33**
Profit for the period / year	**6,613.76**	**7,279.83**	**6,545.69**	**19,823.17**	**16,665.87**	**22,535.61**
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Remeasurement gain / (loss) of the defined benefit plan	(23.45)	(76.98)	(53.00)	(70.35)	(159.00)	120.32
Income tax relating to items that will not be reclassified to profit or loss	5.91	19.37	13.34	17.71	40.02	(30.28)
	(17.54)	**(57.61)**	**(39.66)**	**(52.64)**	**(118.98)**	**90.04**
Items that will be reclassified subsequently to profit or loss						
Net gain/ (loss) on Financial Instruments through other comprehensive income	(1,012.45)	278.29	(3,044.49)	423.38	(2,813.33)	(559.17)
Income tax relating to items that will be reclassified to profit or loss	254.83	(70.05)	766.30	(106.57)	708.12	140.74
	(757.62)	208.24	(2,278.19)	316.81	(2,105.21)	(418.43)
Net gain / (loss) on effective portion of cash flow hedges	246.08	3,433.17	(448.51)	347.29	(2,082.77)	(1,010.85)
Income tax relating to items that will be reclassified to profit or loss	(61.94)	(864.13)	112.89	(87.41)	524.24	254.44
	184.14	2,569.04	(335.62)	259.88	(1,558.53)	(756.41)
	(573.48)	**2,777.28**	**(2,613.81)**	**576.69**	**(3,663.74)**	**(1,174.84)**
Other comprehensive income for the period / year (net of income tax)	**(591.02)**	**2,719.67**	**(2,653.47)**	**524.05**	**(3,782.72)**	**(1,084.80)**
Total comprehensive income for the period / year (net of income tax)	**6,022.74**	**9,999.50**	**3,892.22**	**20,347.22**	**12,883.15**	**21,450.81**
Earnings per equity share of Rs 10 each*						
Basic (in rupees)	7.43	8.17	7.35	22.26	18.74	25.34
Diluted (in rupees)	5.02	5.56	4.95	15.07	12.57	17.03
	*Not annualised	*Not annualised	*Not annualised	*Not annualised	*Not annualised	*Annualised

See accompanying notes to the unaudited standalone financial results

FOR IDENTIFICATION PURPOSES ONLY S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS CHENNAI

Northern Arc Capital Limited Mumbai 400 051

Northern Arc Capital Limited
CIN: U65910TN1989PLC017021
Regd. Office: IITM Research Park, Phase I, 10th Floor, Kanagam Village, Taramani, Chennai - 600 113
Notes forming part of the statement of unaudited standalone financial results of Northern Arc Capital Limited (the "Company") for the quarter ended December 31, 2023 and year to date from April 1, 2023 to December 31, 2023

1 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 unaudited standalone financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') 34 - "Interim Financial Reporting" as prescribed under section 133 of the Companies Act 203 ('the Act') and in terms of 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. In terms of Regulation 52 of SEBI (Listing Obligation and Disclosure Requirements) 2015, this statement of unaudited standalone financial results have been reviewed by the audit committee and subsequently approved by the Board of Directors at their meetings held on February 13, 2024 respectively. The unaudited standalone financial results have been subjected to a limited review by the statutory auditors of the Company.

2 The Company, as an entity regulated by the Reserve Bank of India ("RBI"), extends loans to borrowers. Further, it also extends liquidity and develops access to debt capital markets for institutions through various financial products including, inter alia, investments in Alternative Investment Funds (AIFs) managed by its wholly owned subsidiary (Northern Arc Investment Managers Private Limited ("NAIM")). NAIM is engaged in the business of providing investment management and portfolio management services since 2014.

The RBI, vide instruction RBI/2023-24/90 DOR.STR.REC.58/21.04.048/2023-24 dated December 19, 2023 on restriction of Investment in Alternative Investment Funds (AIF) by Regulated Entities (RE) ("RBI Instruction"), requires entities regulated by RBI to liquidate investments in AIFs which has downstream investments in any debtor company of the regulated entity within a period of 30 days. Pursuant to such Instruction, the Company:

a. liquidated units in AIFs amounting to Rs 8,877 Lakhs to third party entities, and made a provision of Rs 472 Lakhs in respect of any AIF investments remaining unsold as required by Reserve Bank of India; and

b. sold certain subordinated units in AIF aggregating Rs 10,800 Lakhs to its wholly owned subsidiary NAIM, which are temporarily funded by way of a loan extended by the Company to NAIM. 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.

The Company has sought certain clarifications from the RBI on the Company's compliance as stated above, and Management is also in the process of assessing any additional actions that may be required, in this regard. Pending final outcome of the foregoing, and based on legal advice obtained, management is of the view that the Company is in compliance with the RBI Instruction, and no further adjustments are required in this regard in these financial results.

3 During the nine months period ended 31 December 2023, pursuant to Northern Arc Employee Stock Option Scheme, 2016 and Northern Arc Employee Stock Option Scheme, 2018, the Board of Directors allotted 115,400 fully paid-up equity shares of Rs 10 each at an aggregate premium of Rs 171.01 Lakhs. Additionally, during the nine months period ended December 31, 2023, the Company have approved grants of new ESOP schemes. No options are alloted or exercised from these grants.

4 Details of loans transferred/ acquired during the nine months period ended December 31, 2023 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	-	61,629.94	10,286.99	-
Weighted average maturity (in years)	-	2.12	1.04	-
Weighted average holding period (in years)	-	0.72	0.55	-
Retention of beneficial economic interest by originator	-	7,676.61	1,143.00	-
Tangible security coverage	-	-	-	-
Rating-wise distribution of related loans	-	-	-	-

* Represents the amount of assigned portfolio

The Company has not acquired any stressed loans.

5 All secured 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.

6 Disclosures in compliance with Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the nine months period ended December 31, 2023 is attached as Annexure 1.

7 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.

8 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.

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

Ashish Mehrotra
Managing Director & CEO

Northern Arc Capital Limited Mumbai 400 051

Place: Mumbai
Date: February 13, 2024

FOR IDENTIFICATION PURPOSES ONLY
S.R. BATLIBOI & ASSOCIATES LLP CHENNAI CHARTERED ACCOUNTANTS

Northern Arc Capital Limited
CIN: U65910TN1989PLC017021
Regd. Office: IITM Research Park, Phase I, 10th Floor, Kanagam Village, Taramani, Chennai - 600 113
Notes forming part of the statement of unaudited standalone financial results of Northern Arc Capital Limited (the "Company") for the quarter ended December 31, 2023 and year to date from April 1, 2023 to December 31, 2023

Annexure 1:

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 December 2023	As at 31 March 2023
Debt-equity ratio	1.1	3.81	3.65
Total debts to total assets	1.2	0.77	0.76
Net worth (amount in lakhs)	1.3	2,14,598.61	1,92,715.10
Capital redemption reserve (amount in lakhs)		2,660.00	2,660.00
Gross stage 3 assets ratio	1.4	0.41%	0.77%
Net stage 3 assets ratio	1.5	0.10%	0.40%
Capital adequacy ratio (CRAR)	1.6	19.31%	20.77%
Asset cover over listed non-convertible debentures	1.7	1.19	1.14

Particulars	Ref	Quarter ended			Nine months period ended		Year ended
		31 December 2023	30 September 2023	31 December 2022	31 December 2023	31 December 2022	31 March 2023
Net profit margin (%)	1.8	12.71%	23.44%	11.69%	15.77%	14.07%	17.05%

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 (term loans+investments) / gross term loans + investments

1.5 Net stage 3 assets ratio is gross stage 3 (loans and Investments) less impairment loss allowance for stage 3 (term loans and investments)/gross (term loans and investments) less impairment allowance for stage 3 (term 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 term loans 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.

FOR IDENTIFICATION PURPOSES ONLY
S.R. BATLIBOI & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
CHENNAI

Northern Arc Capital Limited
Mumbai
400 051

Table II - Statement of Compliance with Financial Covenants as mentioned in Debenture Trust Deed

S. No	Series	ISIN	Facility	Date of Trust Deed	Face Value (in Rupees)	Covenant reference as per DTD	Compliance with Covenants	If No, Reason for Non-Compliance
1	9.595%NACL2023	INE850M07178	Non-convertible Debentures	17-12-2018	10,00,000	Clause 11.4	Complied	Not applicable
2	PP-MLD 27JUL23 FVRS100000	INE850M07418	Market Linked Debentures	26-05-2021	10,00,000	Clause 10.7	Complied	Not applicable
3	11.3448%NACL2024	INE850M07244	Non-convertible Debentures	27-03-2020	10,00,000	Clause 3.7	Complied	Not applicable
4	NCD BOB 10.40% SECURED	INE850M07269	Non-convertible Debentures	09-07-2020	10,00,000	Clause 3.7	Complied	Not applicable
5	PP-MLD 27JAN25 FVRS1000000	INE850M07426	Market Linked Debentures	28-07-2022	10,00,000	Sixth Schedule	Complied	Not applicable
6	Avendus Wealth PPMLD_25CR_26AUG22	INE850M07426	Market Linked Debentures	26-08-2022	10,00,000	Sixth Schedule	Complied	Not applicable
7	ACSYS INV NCD_8.95%_29SEP2022	INE850M07442	Non-convertible Debentures	27-09-2022	10,00,000	Tenth Schedule	Complied	Not applicable
8	AVENDUS NCD_57.10CR_12JUN2023	INE850M07459	Non-convertible Debentures	12-06-2023	1,00,000	Fifth Schedule	Complied	Not applicable

Northern Arc Capital Limited
Mumbai
400 051

Statement of Security Cover as at December 31, 2023

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O
Particulars		Exclusive Charge	Exclusive Charge	Pari-Passu Charge	Pari-Passu Charge	Pari-Passu Charge	Assets not offered as Security	Elimination (amount in negative)		Related to only those items covered by this certificate				
	Description of asset for which this certificate relate	Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Others assets on which there is pari-Passu charge (excluding items covered in column F)		Debt amount considered more than once (due to exclusive plus pari passu charge)	(Total C to H) #	Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable **	Market Value for Pari passu charge Assets	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable	Total Value(=K+L+M+N)
		Book Value	Book Value	Yes/No	Book Value	Book Value						Relating to		
ASSETS														
Property, Plant and Equipment		-	-	No	-	-	416.69	-	416.69	-	-	-	-	-
Capital Work-in-Progress		-	-	No	-	-	-	-	-	-	-	-	-	-
Right of Use Assets		-	-	No	-	-	1,264.12	-	1,264.12	-	-	-	-	-
Goodwill		-	-	No	-	-	2,085.13	-	2,085.13	-	-	-	-	-
Intangible Assets		-	-	No	-	-	1,148.19	-	1,148.19	-	-	-	-	-
Intangible Assets under Development		-	-	No	-	-	80.28	-	80.28	-	-	-	-	-
Investments ##	Investments	20,144.54	1,05,430.87	No	-	-	15,320.43	-	1,40,895.84	-	20,144.54	-	-	20,144.54
Loans ##	Receivable from loans	7,003.31	7,82,426.58	No	-	-	71,007.05	-	8,60,436.94	-	7,003.31	-	-	7,003.31
Inventories		-	-	No	-	-	-	-	-	-	-	-	-	-
Trade Receivables		-	-	No	-	-	940.01	-	940.01	-	-	-	-	-
Cash and Cash Equivalents		-	-	No	-	-	19,725.01	-	19,725.01	-	-	-	-	-
Bank Balances other than Cash and Cash Equivalents		-	-	No	-	-	16,869.52	-	16,869.52	-	-	-	-	-
Others		-	-	No	-	-	18,093.68	-	18,093.68	-	-	-	-	-
Total		**27,147.85**	**8,87,857.46**		-	-	**1,46,950.11**	-	**10,61,955.41**	-	**27,147.85**	-	-	**27,147.85**
LIABILITIES														
Debt securities to which this certificate pertains	Secured Non Convertible Debentures (NCDs)	22,781.45	-	No	-	-	-	-	22,781.45					
Other debt sharing pari-passu charge with above debt			-	No	-	-	-	-	-					
Other Debt			-	No	-	-	-	-	-					
Subordinated debt			-	No	-	-	-	-	-					
Borrowings			-	No	-	-	-	-	-					
Bank			5,86,572.66	No	-	-	-	-	5,86,572.66					
Debt Securities		Not to be filled	63,903.84	No	-	-	22,159.37	-	86,063.21					
Others			1,22,314.38	No	-	-	-	-	1,22,314.38					
Trade payables			-	No	-	-	14,561.03	-	14,561.03					
Lease Liabilities			-	No	-	-	1,420.72	-	1,420.72					
Provisions			-	No	-	-	3,276.90	-	3,276.90					
Others			-	No	-	-	10,366.45	-	10,366.45					
Total		**22,781.45**	**7,72,790.88**		-	-	**51,784.47**	-	**8,47,356.80**					
Cover on Book Value *														**1.19**
Cover on Market Value														
		Exclusive Security Cover Ratio *	1.19		**Pari-Passu Security Cover Ratio**	NA								

Represents carrying value as per books of account underlying the unaudited standalone financial statement of the Company as at and for the period ended December 31, 2023.
* The security cover ratio pertains to listed secured debt. Disclosure in the statement is cumulative for all the listed secured debt of the Company.
** The company carries the receivables and investments at amortised cost and fair value. Market value is not determined at every period end, and hence for the purpose of disclosure in this Statement, the carrying value of these receivables have been disclosed in Column L.
Of the listed secured debt of the Company, 1 listed secured debt has a pari-passu charge on loans and investments
The Management of the Company, confirm that the Company has complied with all the Financial covenants as prescribed in the Debenture Trust Deed, as at December 31, 2023 as mentioned in Table II of the Statement.

Northern Arc Capital Limited
Mumbai
400 051