

Northern Arc Capital Limited
CIN: L65910TN1989PLC017021
Regd. Office: IITM Research Park, Phase I, 10th Floor, Kanagam Village, Taramani, Chennai - 600 113
Statement of unaudited standalone financial results for the quarter ended 30 June 2025

Particulars		(All amounts are in Indian rupees in lakhs, unless otherwise stated)			
		Quarter ended		Year ended	
		30 June 2025	31 March 2025	30 June 2024	31 March 2025
		Unaudited	Audited (Refer Note i)	Unaudited	Audited
1	Total Income from Operations	59,058.40	58,968.00	56,127.92	2,28,411.42
2	Net Profit for the period (before tax, exceptional and/ or extraordinary items)	13,810.99	4,799.35	10,940.63	44,171.77
3	Net Profit for the period before tax, (after exceptional and/ or extraordinary items)				
		13,810.99	4,799.35	10,940.63	44,171.77
4	Net Profit for the period after tax, (after exceptional and/ or extraordinary items)	10,358.41	4,673.79	8,147.78	34,261.50
5	Total Comprehensive income for the period [Comprising profit for the period (after tax) and other comprehensive income (after tax)]	10,789.45	3,528.09	6,759.00	31,360.71
6	Paid up Equity Share Capital	16,141.18	16,137.93	8,945.99	16,137.93
7	Reserves (excluding Revaluation Reserve)	3,36,774.42	3,24,777.53	2,50,890.33	3,24,777.53
8	Securities premium	1,71,689.89	1,70,907.02	1,22,522.51	1,70,907.02
9	Net worth (Equity and preference share capital + Reserve and surplus excluding revaluation reserve)	3,52,915.60	3,40,915.46	2,70,054.93	3,40,915.46
10	Paid up Debt Capital/ Outstanding debt	-	-	-	-
11	Outstanding Redeemable Preference Shares	-	-	-	-
12	Debt Equity Ratio (Refer note b)	2.66	2.87	3.32	2.87
13	Earnings per share (of Rs. 10 each) (not annualised for quarter ends)				
	Basic	6.42	2.90	9.11	22.59
	Diluted	6.36	2.89	5.78	22.53
14	Capital Redemption Reserve	2,660.00	2,660.00	2,660.00	2,660.00
15	Debenture Redemption Reserve (Refer note c)	NA	NA	NA	NA
16	Debt Service Coverage Ratio (Refer note d)	NA	NA	NA	NA
17	Interest Service Coverage Ratio (Refer note d)	NA	NA	NA	NA

Note:

- a The Sl. No. 1 to 7, 9 and 12 to 14 are extracts from the detailed format of Statement of unaudited standalone financial results for the quarter ended 30 June 2025 filed with the stock exchange under with Regulation 33 and Regulation 52 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the statement of unaudited standalone financial results for the quarter ended 30 June 2025 are available on the websites of the stock exchange and the Company.
- b Debt-equity ratio is (debt securities+borrowings (other than debt securities)+subordinated liabilities) / net worth i.e. equity share capital + instruments entirely equity in
- c 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.
- d 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.
- e The 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 July 29, 2025. This unaudited standalone financial results have been subjected to limited review by the statutory auditors of the Company. The auditors have issued an unmodified opinion on the financial results.
- f The unaudited 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, the circulars, guidelines and directions issued by the Reserve Bank of India ('the RBI') from time to time applicable to NBFCs ('the RBI guidelines'), and other accounting principles generally accepted in India, and is in compliance with 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"). Any application guidance/ clarifications/ directions issued by the RBI are implemented as and when they are issued/ becomes applicable.
- g 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 30 June 2025 and accordingly, no amount is required to be transferred to impairment reserve.
- h In compliance with Regulation 33 and Regulation 52 of the Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations 2015, limited review of financial results for the quarter ended 30 June 2025 has been carried out by the Statutory Auditors of the Company.
- i Figures for the quarter ended 31 March 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 31 March 2025.
- j 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 and can be accessed on the URL <https://www.northernarc.com/financial-results>

Place : Mumbai
Date: 29 July 2025

Ashish Mehrotra
Managing Director & CEO



Northern Arc Capital Limited
CIN: L65910TN1989PLC017021

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Statement of unaudited standalone financial results of Northern Arc Capital Limited (the "Company") for the quarter ended 30 June 2025

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

Particulars	Quarter ended			Year ended
	30 June 2025	31 March 2025	30 June 2024	31 March 2025
	Unaudited	Audited (Refer Note 9)	Unaudited	Audited
Revenue from operations				
Interest income	55,793.38	55,068.73	55,213.55	2,18,173.69
Fee and commission income	1,386.73	1,460.78	804.57	4,675.51
Net gain on fair value changes	805.60	826.71	109.80	1,439.69
Net gain on derecognition of financial instruments	1,072.69	1,611.78	-	4,122.53
Total revenue from operations	59,058.40	58,968.00	56,127.92	2,28,411.42
Other income	224.37	315.55	422.53	1,240.04
Total income	59,282.77	59,283.55	56,550.45	2,29,651.46
Expenses				
Finance costs	21,386.87	19,753.33	20,922.03	82,286.37
Fees and commission expense	5,051.75	8,381.98	10,760.22	32,940.65
Impairment on financial instruments	10,302.58	17,528.92	5,137.41	37,852.62
Employee benefits expenses	5,596.99	5,061.00	5,036.69	20,385.29
Depreciation and amortisation	378.11	430.56	331.33	1,531.32
Other expenses	2,755.48	3,328.41	3,422.14	10,483.44
Total expenses	45,471.78	54,484.20	45,609.82	1,85,479.69
Profit before tax	13,810.99	4,799.35	10,940.63	44,171.77
Tax expense				
Current tax	5,288.00	4,111.32	3,599.00	16,170.32
Tax related to earlier years	-	(1,006.00)	-	(1,006.00)
Deferred tax	(1,835.42)	(2,979.76)	(806.15)	(5,254.05)
Total tax expense	3,452.58	125.56	2,792.85	9,910.27
Profit for the quarter / year	10,358.41	4,673.79	8,147.78	34,261.50
Other comprehensive income				
Items that will not be reclassified to profit or loss in subsequent periods				
Remeasurement (loss) on the defined benefit plan	(16.67)	(59.90)	(2.26)	(66.68)
Income tax relating to items that will not be reclassified to profit or loss	4.20	15.07	0.57	16.78
	(12.47)	(44.83)	(1.69)	(49.90)
Items that will be reclassified to profit or loss in subsequent periods				
Net gain / (loss) on financial instruments through other comprehensive income	1,517.48	3,381.93	(2,067.90)	(2,908.30)
Income tax relating to items that will be reclassified to profit or loss	(381.95)	(851.23)	520.49	732.02
	1,135.53	2,530.70	(1,547.41)	(2,176.28)
Net (loss) / gain on effective portion of cash flow hedges	(924.79)	(4,853.10)	214.24	(901.53)
Income tax relating to items that will be reclassified to profit or loss	232.77	1,221.53	(53.92)	226.92
	(692.02)	(3,631.57)	160.32	(674.61)
Other comprehensive income / (loss) for the quarter / year	431.04	(1,145.70)	(1,388.78)	(2,900.79)
Total comprehensive income for the quarter / year	10,789.45	3,528.09	6,759.00	31,360.71
Earnings per equity shares, par value of INR 10 each*				
Basic (in rupees)	6.42	2.90	9.11	22.59
Diluted (in rupees)	6.36	2.89	5.78	22.53

* Earnings per share for the quarters are not annualized

See accompanying notes to the unaudited standalone financial results



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Notes:

- 1 Northern Arc Capital Limited ("the Company") is a Non-Banking Financial Company - Middle Layer (NBFC-ML), registered with the Reserve Bank of India ("the RBI"). The unaudited standalone financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), the circulars, guidelines and directions issued by the Reserve Bank of India ('the RBI') from time to time applicable to NBFCs ('the RBI guidelines'), and other accounting principles generally accepted in India, and 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"). Any application guidance/ clarifications/ directions issued by the RBI are implemented as and when they are issued/ becomes applicable. The statement of unaudited standalone financial results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their respective meetings held on 29 July 2025. The unaudited standalone financial results have been subjected to a limited review by the statutory auditors of the Company.
- 2 During the year ended 31 March 2025, the 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 Company were listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") on 24 September 2024. The details of IPO proceeds of INR 44,984.46 lakhs (net of share issue expenses), are as follows:

Objects of the issue	IPO Proceeds	INR in lakhs	
		Utilisation upto 30 June 2025	Unutilised as at 30 June 2025
Meet future capital requirements towards onward lending	44,984.46	44,984.46	-
Total	44,984.46	44,984.46	-

- 3 During the quarter ended 30 June 2025, pursuant to Northern Arc Employee Stock Option Scheme, 2016 and Northern Arc Employee Stock Option Scheme, 2018, the Board of Directors allotted 32,500 fully paid-up equity shares of INR 10 each at an aggregate premium of INR 35.59 lakhs.
- 4 Details of loans transferred/ acquired during quarter ended 30 June 2025 under Master Directions RBI (Transfer of Loan Exposures) Directions, 2021 dated 24 September 2021 are given below:
Details of loans not in default transferred / acquired through assignment:

Particulars	Transferred	Acquired	
		Retail	Non Retail
Aggregate amount of loans transferred* / acquired through assignment (₹ in lakhs)	18,922.54	2,876.63	-
Number of loans (in absolute numbers)	23,538	831	-
Sale consideration / purchase consideration (₹ in lakhs)	17,030.28	2,876.63	-
Number of transactions (in absolute numbers)	3.00	1.00	-
Weighted average maturity (in years)	2.56	6.16	-
Weighted average holding period (in years)	0.92	0.99	-
Retention of beneficial economic interest by originator	10%	10%	-
Tangible security coverage	-	-	-
Rating-wise distribution of related loans	-	-	-
* Represents the amount outstanding at the time of assignment	-	-	-

The Company has not acquired any stressed loans.

- 5 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.
- 6 Disclosures in compliance with Regulation 52(4) and 54(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended 30 June 2025 is attached as Annexure I.
- 7 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.
- 8 Pursuant to email communication dated 16 May 2025 received from Reserve Bank of India (RBI) directing the Company to exclude the credit enhancements under First Loss Default Guarantee (FLDG) arrangements in the computation of expected credit loss (ECL), the Company had evaluated the total impact to be INR 8,041 lakhs as at 31 March 2025 of which INR 6,835 lakhs was recorded during the quarter ended 31 March 2025. The exposure pertaining to remaining ECL of INR 1,206 lakhs has recorded / rundown during the current quarter.



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- 9 Figures for the quarter ended 31 March 2025 are derived in the standalone financial results by deducting the reported year to date figures for the period ended 31 December 2024 which were subject to limited review, from audited figures for the year ended 31 March 2025.

Place: Mumbai
Date : 29 July 2025

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


Ashish Mehrotra
Managing Director & CEO



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Annexure 1:

1 Analytical ratios / disclosures required under Regulation 52(4) of the Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015

Particulars	Ref	Quarter ended 30 June 2025
Debt-equity ratio	1.1	2.66
Total debts to total assets	1.2	0.71
Net worth (amount in INR lakhs)	1.3	3,52,915.60
Capital redemption reserve (amount in INR lakhs)		2,660.00
Net profit after tax (amount in INR lakhs)		10,358.41
Earnings per share (of Rs. 10 each)		
- Basic		6.42
- Diluted		6.36
Gross stage 3 assets ratio	1.4	1.21%
Net stage 3 assets ratio	1.5	0.69%
Capital adequacy ratio (CRAR)	1.6	25.55%
Asset cover over listed non-convertible debentures	1.7	1.08
Net profit margin (%)	1.8	17.47%

Notes:

- 1.1 Debt-equity ratio is (debt securities+ borrowings (other than debt securities)) / net worth i.e. total equity.
- 1.2 Total debts to total assets is debt securities, borrowings (other than debt securities) / total assets.
- 1.3 Net worth is equal to equity share capital + 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 profit after tax for the period/ total income.
- 1.9 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.

Other ratios / disclosures such as debt service coverage ratio, interest service coverage ratio, outstanding redeemable preference shares (quantity and value), 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.

