

**Walker ChandioK & Co LLP**

16th Floor, Tower III,  
One International Center,  
S B Marg, Prabhadevi (W),  
Mumbai - 400013  
Maharashtra, India

T +91 22 6626 2699  
F +91 22 6626 2601

**Independent Auditor's Report on Standalone 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 standalone annual financial results ('the Statement') of **Northern Arc Capital Limited** ('the NBFC') for the year ended **31 March 2025**, attached herewith, being submitted by the NBFC 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').
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
  - (i) presents financial results in accordance with the requirements of Regulation 33 and Regulation 52 read with Regulation 63 of the Listing Regulations, and
  - (ii) 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 the 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 standalone net profit after tax and other comprehensive income and other financial information of the NBFC for the year ended 31 March 2025.

**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 NBFC 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, is sufficient and appropriate to provide a basis for our opinion.



**Northern Arc Capital Limited**  
**Independent Auditor's Report on Standalone 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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**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 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 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. This Statement, which is the responsibility of the management and has been approved by the NBFC's Board of Directors, has been prepared on the basis of the standalone annual financial statements. The NBFC's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income and other financial information of the NBFC in accordance with the Ind AS prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, and 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the NBFC 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 Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
6. In preparing the Statement, the Board of Directors is responsible for assessing the NBFC'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 NBFC or to cease operations, or has no realistic alternative but to do so.
7. The Board of Directors is also responsible for overseeing the NBFC's financial reporting process.

**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.



**Northern Arc Capital Limited**

**Independent Auditor's Report on Standalone 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)**

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 NBFC has in place an adequate internal financial controls with reference to financial statements 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 NBFC'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 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 NBFC to cease to continue as a going concern; and
  - 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.
10. 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.
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. The Statement includes the financial results for the quarter ended 31 March 2025, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.





**Northern Arc Capital Limited**

**Independent Auditor's Report on Standalone 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)**

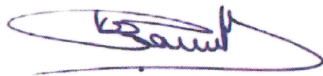
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13. The audit of standalone financial results for the corresponding quarter and year ended 31 March 2024 included in the Statement was carried out and reported by S.R. Batliboi & Associates LLP who have expressed unmodified opinion vide their audit 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:25042423BMNRBN1197**

Place: Nagpur

Date: 19 May 2025



**Northern Arc Capital Limited**  
CIN: L65910TN1989PLC017021  
Regd. Office: IITM Research Park, Phase I, 10th Floor, Kanagam Village, Taramani, Chennai - 600 113  
**Statement of audited standalone financial results 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 (Refer Note i)	Unaudited	Audited (Refer Note i)	Audited	Audited
1 Total Income from Operations	58,968.00	55,995.84	54,329.23	2,28,411.42	1,82,866.03
2 Net Profit for the period (before tax, exceptional and/ or extraordinary items)	4,799.35	13,395.87	10,934.95	44,171.77	37,542.23
3 Net Profit for the period before tax, (after exceptional and/ or extraordinary items)	4,799.35	13,395.87	10,934.95	44,171.77	37,542.23
4 Net Profit for the period after tax, (after exceptional and/ or extraordinary items)	4,673.79	10,226.50	8,193.94	34,261.50	28,017.11
5 Total Comprehensive income for the period [Comprising profit for the period (after tax) and other comprehensive income (after tax)]	3,528.09	11,125.43	9,602.12	31,360.71	29,949.33
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)	3,24,777.53	3,20,909.73	2,07,832.15	3,24,777.53	2,07,832.15
8 Securities premium	1,70,907.02	1,70,907.02	86,366.41	1,70,907.02	86,366.41
9 Net worth (Equity and preference share capital + Reserve and surplus excluding revaluation reserve)	3,40,915.46	3,37,047.67	2,25,035.33	3,40,915.46	2,25,035.33
10 Paid up Debt Capital/ Outstanding debt	-	-	-	-	-
11 Outstanding Redeemable Preference Shares	-	-	-	-	-
12 Debt Equity Ratio (Refer note b)	2.87	2.53	4.02	2.87	4.02
13 Earnings per share (of Rs. 10 each) (not annualised for quarter ends)					
Basic	2.90	6.34	9.20	22.59	31.45
Diluted	2.89	6.31	6.20	22.53	21.26
14 Capital Redemption Reserve	2,660.00	2,660.00	2,660.00	2,660.00	2,660.00
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:**

- a The Sl. No. 1 to 7, 9 and 12 to 14 are extracts from the detailed format of Statement of audited standalone financial results for the quarter and year ended 31 March 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 audited standalone financial results for the quarter and year ended 31 March 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 nature + other equity
- 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 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 19, 2025. This standalone financial results have been subjected to audit by the statutory auditors of the Company. The auditors have issued an unmodified opinion on the financial results.
- f 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, 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 31 March 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, audit of financial results for the quarter and year ended 31 March 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. Figures for the quarter ended 31 March 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 31 March 2024.
- 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 : 19 May 2025



**Ashish Mehrotra**  
Managing Director & CEO



**Northern Arc Capital Limited**  
**CIN: L65910TN1989PLC017021**  
**Regd. Office: IITM Research Park, Phase I, 10th Floor, Kanagam Village, Taramani, Chennai - 600 113**  
**Statement of standalone financial results of Northern Arc Capital Limited (the "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 (Refer Note 11)	Unaudited	Audited (Refer Note 11)	Audited	Audited
<b>Revenue from operations</b>					
Interest income	55,068.73	52,327.62	50,565.35	2,18,173.69	1,69,934.25
Fee and commission income	1,460.78	1,186.61	1,783.78	4,675.51	4,243.93
Net gain on fair value changes	826.71	857.66	270.23	1,439.69	3,945.31
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>58,968.00</b>	<b>55,995.84</b>	<b>54,329.23</b>	<b>2,28,411.42</b>	<b>1,82,866.03</b>
Other income	315.55	445.46	1,100.76	1,240.04	1,565.65
<b>Total income</b>	<b>59,283.55</b>	<b>56,441.30</b>	<b>55,429.99</b>	<b>2,29,651.46</b>	<b>1,84,431.68</b>
<b>Expenses</b>					
Finance costs	19,753.33	21,108.14	20,380.81	82,286.37	72,586.35
Fees and commission expense	8,381.98	6,407.73	12,411.35	32,940.65	31,714.19
Impairment on financial instruments	17,528.92	7,351.03	2,461.97	37,852.62	12,313.52
Employee benefits expenses	5,061.00	5,309.16	5,027.72	20,385.29	17,961.03
Depreciation and amortisation	430.56	517.26	400.21	1,531.32	1,467.03
Other expenses	3,328.41	2,352.11	3,812.98	10,483.44	10,847.33
<b>Total expenses</b>	<b>54,484.20</b>	<b>43,045.43</b>	<b>44,495.04</b>	<b>1,85,479.69</b>	<b>1,46,889.45</b>
<b>Profit before tax</b>	<b>4,799.35</b>	<b>13,395.87</b>	<b>10,934.95</b>	<b>44,171.77</b>	<b>37,542.23</b>
<b>Tax expense</b>					
Current tax	4,111.32	4,296.00	2,885.07	16,170.32	10,189.07
Tax related to earlier years	(1,006.00)	-	-	(1,006.00)	-
Deferred tax	(2,979.76)	(1,126.63)	(144.06)	(5,254.05)	(663.95)
<b>Total tax expense</b>	<b>125.56</b>	<b>3,169.37</b>	<b>2,741.01</b>	<b>9,910.27</b>	<b>9,525.12</b>
<b>Profit for the period / year</b>	<b>4,673.79</b>	<b>10,226.50</b>	<b>8,193.94</b>	<b>34,261.50</b>	<b>28,017.11</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 plan	(59.90)	(2.26)	61.31	(66.68)	(9.04)
Income tax relating to items that will not be reclassified to profit or loss	15.07	0.57	(15.42)	16.78	2.28
	<b>(44.83)</b>	<b>(1.69)</b>	<b>45.89</b>	<b>(49.90)</b>	<b>(6.76)</b>
<b>Items that will be reclassified to profit or loss in subsequent periods</b>					
Net gain / (loss) gain on financial instruments through other comprehensive income	3,381.93	(2,389.59)	805.61	(2,908.30)	1,228.99
Income tax relating to items that will be reclassified to profit or loss	(851.23)	601.46	(202.77)	732.02	(309.34)
	<b>2,530.70</b>	<b>(1,788.13)</b>	<b>602.84</b>	<b>(2,176.28)</b>	<b>919.65</b>
Net (loss) / gain on effective portion of cash flow hedges	(4,853.10)	3,593.15	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>2,688.75</b>	<b>759.45</b>	<b>(674.61)</b>	<b>1,019.33</b>
<b>Other comprehensive (loss) / income for the period / year</b>	<b>(1,145.70)</b>	<b>898.93</b>	<b>1,408.18</b>	<b>(2,900.79)</b>	<b>1,932.22</b>
<b>Total comprehensive income for the period / year</b>	<b>3,528.09</b>	<b>11,125.43</b>	<b>9,602.12</b>	<b>31,360.71</b>	<b>29,949.33</b>
<b>Earnings per equity shares, par value of INR 10 each*</b>					
Basic (in rupees)	2.90	6.34	9.20	22.59	31.45
Diluted (in rupees)	2.89	6.31	6.20	22.53	21.26

\* Earnings per share for the quarters are not annualized

See accompanying notes to the audited standalone 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 standalone 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	32,120.04	16,123.83
Bank balances other than cash and cash equivalents	31,482.92	22,213.03
Derivative financial instruments	5,476.55	5,481.94
Trade receivables	1,201.75	1,437.83
Loans	10,57,237.78	9,30,987.51
Investments	1,95,682.05	1,65,268.61
Other financial assets	9,320.14	9,123.47
	<b>13,32,521.23</b>	<b>11,50,636.22</b>
<b>Non-financial assets</b>		
Current tax assets (net)	-	1,206.41
Deferred tax assets (net)	9,693.68	3,456.92
Property, plant and equipment	938.48	324.97
Right of use asset	2,495.71	1,205.55
Intangible assets under development	593.49	231.13
Goodwill	2,085.13	2,085.13
Other intangible assets	1,313.96	1,178.89
Other non- financial assets	2,425.11	1,631.42
	<b>19,545.56</b>	<b>11,320.42</b>
<b>TOTAL ASSETS</b>	<b>13,52,066.79</b>	<b>11,61,956.64</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 and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	6,726.54	13,588.16
Debt securities	1,40,785.32	1,41,372.46
Borrowings (other than debt securities)	8,37,654.22	7,63,403.14
Subordinated liabilities	-	-
Other financial liabilities	17,670.10	14,284.24
	<b>10,05,199.66</b>	<b>9,32,946.65</b>
<b>Non-financial liabilities</b>		
Provisions	1,578.36	2,782.77
Current tax liabilities	2,832.34	-
Other non-financial liabilities	1,540.97	1,191.89
	<b>5,951.67</b>	<b>3,974.66</b>
<b>EQUITY</b>		
Equity share capital	16,137.93	8,938.54
Instruments entirely equity in nature	-	8,264.64
Other equity	3,24,777.53	2,07,832.15
	<b>3,40,915.46</b>	<b>2,25,035.33</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>13,52,066.79</b>	<b>11,61,956.64</b>

See accompanying notes to the standalone 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 standalone cashflows for the year ended 31 March 2025

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

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
<b>A Cash flow from operating activities</b>		
Profit before tax	44,171.77	37,542.23
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation and amortisation expenses	1,531.32	1,467.03
Write off of intangible assets under development	-	18.59
Interest income on loans, fixed deposits and investments	(2,18,173.69)	(1,69,934.25)
Unrealised (gain)/ loss on investments	(393.16)	123.07
Gain on investment in mutual funds	(723.69)	(409.27)
Profit on sale of investments	(716.00)	(1,100.67)
Impairment on financial instruments including amounts writtenoff	37,852.62	12,313.52
Employee share based payment expenses	1,303.88	1,735.92
Amortisation of discount on commercial papers	2,400.31	1,826.37
Finance costs	79,886.06	70,759.98
Loss on sale of plant, property and equipment	-	0.85
Interest on income tax refund	(214.92)	-
Net gain on derecognition of financial assets	(4,122.53)	(4,742.54)
Gain on account of lease foreclosed	(0.78)	(1.13)
<b>Cash used in operations before working capital changes and adjustments</b>	<b>(57,198.81)</b>	<b>(50,400.30)</b>
<b>Changes in working capital and other changes:</b>		
Decrease / (Increase) in other financial assets	5,133.74	(4,624.21)
Decrease in trade receivables	236.08	453.15
(Increase) in loans	(2,86,906.59)	(3,66,928.26)
(Increase) in other non financial assets	(793.69)	(1,029.79)
(Increase) in other bank balances	(8,943.80)	(3,665.44)
Increase in other financial liabilities	1,780.91	3,947.59
Increase in other non-financial liabilities	349.08	233.44
(Decrease) / Increase in trade payables and provisions	(8,140.08)	3,133.33
<b>Cash used in operations before adjustments</b>	<b>(3,54,483.16)</b>	<b>(4,18,880.49)</b>
Proceeds from de-recognition of financial assets	81,746.19	1,01,292.05
Recovery from written off assets	44,712.79	22,544.38
Interest income received on loans, fixed deposits and investments	2,15,103.87	1,64,165.32
Finance cost paid	(81,568.04)	(73,866.56)
Income tax paid (net)	(10,910.65)	(9,267.58)
<b>Net cash used in operating activities</b>	<b>(A)</b> <b>(1,05,399.00)</b>	<b>(2,14,012.88)</b>
<b>B Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,623.92)	(1,069.76)
Proceeds from disposal of right of use assets	0.26	-
Purchase of investments	(3,81,225.71)	(7,02,807.95)
Proceeds from sale of investments	3,69,920.72	7,09,319.00
Investment in associate	(26,730.49)	(449.13)
Investment in subsidiary	(100.00)	(50.00)
<b>Net cash (used in) / from investing activities</b>	<b>(B)</b> <b>(39,759.14)</b>	<b>4,942.16</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)	9,87,520.00	7,70,863.11
Repayment of borrowings (other than debt securities)	(9,13,268.92)	(5,82,877.43)
Repayment of subordinated liabilities	-	(3,995.07)
Payment of principal portion of lease liabilities	(338.00)	(492.22)
Payment of interest on lease liabilities	(270.80)	(122.85)
Share application money received pending allotment	38.84	83.76
Proceeds from issue of equity share capital including securities premium	87,154.77	496.96
<b>Net cash generated from financing activities</b>	<b>(C)</b> <b>1,61,154.35</b>	<b>2,04,792.56</b>
<b>Net increase in cash and cash equivalents</b>	<b>(A+B+C)</b> <b>15,996.21</b>	<b>(4,278.16)</b>
Cash and cash equivalents at the beginning of the period	16,123.83	20,401.99
Cash and cash equivalents at the end of the period	<b>32,120.04</b>	<b>16,123.83</b>

See accompanying notes to the standalone 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 standalone financial results of Northern Arc Capital Limited (the "Company") for the quarter and year ended 31 March 2025**

**Notes:**

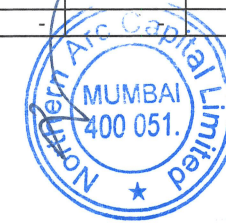
- 1 Northern Arc Capital Limited ("the Company") is a Non-Banking Financial Company - Middle Layer (NBFC-ML), registered with the Reserve Bank of India ("the RBI"). The audited standalone financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under section 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"). Any application guidance/ clarifications/ directions issued by the 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 respective meetings held on 19 May 2025. The standalone financial results have been subjected to audit by the statutory auditors of the Company.
- 2 During the year ended 31 March 2025, the 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.
- 3 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 2 above), issued by the Company were converted into 52,616,624 Equity Shares of INR 10 each.
- 4 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.
- 5 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:

INR in lakhs			
Objects of the issue	IPO Proceeds	Utilisation upto 31 March 2025	Unutilised as at 31 March 2025
Meet future capital requirements towards onward lending	44,984.46	44,984.46	-
<b>Total</b>	<b>44,984.46</b>	<b>44,984.46</b>	<b>-</b>

- 6 Details of loans transferred/ acquired during year ended 31 March 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 *	INR in lakhs	
		Acquired	
		Retail	Non Retail
Aggregate amount of loans transferred/ acquired through assignment	81,746.19	25,708.77	-
Number of loans	1,78,211	63,742	-
Sale consideration	73,571.57	-	-
Number of transactions	7.00	8.00	-
Weighted average maturity (in years)	2.35	3.00	-
Weighted average holding period (in years)	0.82	0.90	-
Retention of beneficial economic interest by originator	10%	10%	-
Tangible security coverage	-	-	-
Rating-wise distribution of related loans	-	-	-

\* Represents the amount of assigned portfolio  
The Company has not acquired any stressed loans.



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

- 7 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.
- 8 Disclosures in compliance with Regulation 52(4) and 54(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31 March 2025 is attached as Annexure I.
- 9 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.
- 10 The 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 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 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.

- 11 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. Figures for the quarter ended 31 March 2024 are derived in the standalone financial results by deducting the reported year to date figures for the period ended 31 December 2023 which were subject to limited review, from audited figures for the year ended 31 March 2024.



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

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

**Ashish Mehrotra**  
Managing Director & CEO





Northern Arc Capital Limited  
CIN: L65910TN1989PLC017021  
Regd. Office: IITM Research Park, Phase I, 10th Floor, Kanagam Village, Taramani, Chennai - 600 113  
Statement of standalone financial results of Northern Arc Capital Limited (the "Company") for the quarter and year ended 31 March 2025

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	Period ended 31 March 2025
Debt-equity ratio	1.1	2.87
Total debts to total assets	1.2	0.72
Net worth (amount in INR lakhs)	1.3	3,40,915.46
Capital redemption reserve (amount in INR lakhs)		2,660.00
Net profit after tax (amount in INR lakhs)		34,261.50
Earnings per share (of Rs. 10 each)		
- Basic		22.59
- Diluted		22.53
Gross stage 3 assets ratio	1.4	0.99%
Net stage 3 assets ratio	1.5	0.43%
Capital adequacy ratio (CRAR)	1.6	24.72%
Asset cover over listed non-convertible debentures	1.7	1.08
Net profit margin (%)	1.8	14.92%

Notes:

- 1.1 Debt-equity ratio is (debt securities+ borrowings (other than debt securities)) / net worth i.e. equity share capital.
- 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
- 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.



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)	DTD reference for financial covenants as per Debenture Trustee Deed or Information memorandum	Compliance with Financial Covenants	If No, Reason for Non- Compliance
1	IDFC NCD_175CR_28MAR2024	INE850M07467	Non-convertible Debentures	28-Mar-24	1,00,000	Clause 10.3	Complied	Not applicable
2	NCD - FMO 620 Crs - Jun 2024	INE850M07475	Non-convertible Debentures	11-Jun-24	1,00,000	Part B - Clause 2.2	Complied	Not applicable
3	MIRAE AND ACSYS NCD_50CR_13AUG2024	INE850M07483	Non-convertible Debentures	12-Aug-24	1,00,000	Clause 2.2	Complied	Not applicable

Place: Mumbai  
Date : 19 May 2025

For and on behalf of the Board of Directors of

Ashish Mehrotra  
Managing Director & CEO



**Statement on book value of assets and compliance status of financial covenants for the secured listed non-convertible securities of the Company, as at 31 March 2025**

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	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Pari-Passu Charge	Pari-Passu Charge	Pari-Passu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total C to H) (Note 2)	Related to only those items covered by this certificate-				
		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)		Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (Note 3)	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-	
<b>ASSETS</b>														
Property, Plant and Equipment		-	-	No	-	-	938.48	-	938.48					
Capital Work-in-Progress		-	-	No	-	-	-	-	-					
Right of Use Assets		-	-	No	-	-	2,495.71	-	2,495.71					
Goodwill		-	-	No	-	-	2,085.13	-	2,085.13					
Intangible Assets		-	-	No	-	-	1,313.96	-	1,313.96					
Intangible Assets under Development		-	-	No	-	-	593.49	-	593.49					
Investments	Investments	53,712.26	74,809.11	No	-	-	67,160.69	-	1,95,682.05					
Loans	Receivable from loans	32,443.05	8,89,680.49	No	-	-	1,35,114.24	-	10,57,237.78					
Inventories		-	-	No	-	-	-	-	-					
Trade Receivables		-	-	No	-	-	1,201.75	-	1,201.75					
Cash and Cash Equivalents		-	-	No	-	-	32,120.04	-	32,120.04					
Bank Balances other than Cash and Cash Equivalents		-	-	No	-	-	31,482.92	-	31,482.92					
Others		-	-	No	-	-	26,915.48	-	26,915.48					
<b>Total</b>		<b>86,155.30</b>	<b>9,64,489.60</b>				<b>3,01,421.89</b>	-	<b>13,52,066.79</b>					
<b>LIABILITIES</b>														
Debt securities to which this certificate pertains	Secured Non Convertible Debentures (NCDs)	79,852.78	-	No	-	-	-	-	79,852.78					
Other debt sharing pari-passu charge with above debt		-	-	No	-	-	-	-	-					
Other Debt		-	-	No	-	-	-	-	-					
Subordinated debt		-	-	No	-	-	-	-	-					
Borrowings		-	-	No	-	-	-	-	-					
Bank		-	7,07,867.37	No	-	-	-	-	7,07,867.37					
Debt Securities		-	44,111.42	No	-	-	16,821.12	-	60,932.54					
Others		-	1,29,786.85	No	-	-	-	-	1,29,786.85					
Trade payables		-	-	No	-	-	6,726.54	-	6,726.54					
Lease Liabilities		-	-	No	-	-	2,942.93	-	2,942.93					
Provisions		-	-	No	-	-	1,578.36	-	1,578.36					
Others		-	-	No	-	-	21,463.96	-	21,463.96					
<b>Total</b>		<b>79,852.78</b>	<b>8,81,765.64</b>				<b>49,532.91</b>	-	<b>10,11,151.32</b>					
<b>Cover on Book Value (Note 1)</b>														
		Exclusive Security Cover Ratio(Note 1)	1.08		Pari-Passu Security Cover Ratio	NA								

Note:

1. The security cover ratio pertains to listed secured debentures. Disclosure in the statement is cumulative for all the listed secured debentures of the Company.
2. Represents carrying value as per books of accounts underlying the audited financial statements of the company as at 31 March 2025.
3. Columns K to O have been left blank. This will be shared separately by the Company.

Place: Mumbai  
Date: 19 May 2025

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

Ashish Mehrotra  
Managing Director & CEO

