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Independent Auditor's Report on Standalone Annual Financial Results of the Non-banking Finance Company (NBFC) pursuant to 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 2026**, 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 2026.

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 Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

Emphasis of Matter – Inclusion of Default Loss Guarantee credit in calculation of Expected Credit Loss

4. We draw attention to Note 8 (a) of the accompanying statement, which describes that the Company has included the credit enhancements under the Default Loss Guarantee (DLG) arrangements while determining the Expected Credit Loss (ECL) for the year in accordance with Ind AS 109, Financial Instruments pursuant to the amendment issued by the RBI in February 2026. Accordingly, the comparative financial information for the quarter and year ended 31 March 2025 for ECL is strictly not comparable as DLG benefit was excluded in ECL computation following RBI's directions issued to the Company in previous year. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Statement

5. This Statement has been prepared on the basis of the standalone annual financial statements and has been approved by the NBFC's Board of Directors. 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
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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.



Northern Arc Capital Limited
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Other Matter

12. The Statement includes the financial results for the quarter ended 31 March 2026, 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.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm Registration No:001076N/N500013



Murad D. Daruwalla
Partner
Membership No:043334



UDIN:26043334PKNZKH5010

Place: Mumbai
Date: 08 May 2026

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 of Northern Arc Capital Limited (the "Company") for the quarter and year ended 31 March 2026

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

Particulars	Quarter ended			Year ended	
	31 March 2026	31 December 2025	31 March 2025	31 March 2026	31 March 2025
	Unaudited (Refer note 10)	Unaudited	Unaudited (Refer note 10)	Audited	Audited
Revenue from operations					
Interest income	68,005.94	62,875.45	55,068.73	2,43,221.55	2,18,173.69
Fee and commission income	1,100.47	1,780.13	1,460.78	5,587.69	4,675.51
Net gain on fair value changes	-	886.51	826.71	1,234.38	1,439.69
Net gain on derecognition of financial instruments	4,029.51	5,614.40	1,611.78	13,385.95	4,122.53
Total revenue from operations	73,135.92	71,156.49	58,968.00	2,63,429.57	2,28,411.42
Other income	336.88	270.10	315.55	953.66	1,240.04
Total income	73,472.80	71,426.59	59,283.55	2,64,383.23	2,29,651.46
Expenses					
Finance costs	23,718.08	22,884.92	19,753.33	88,567.88	82,286.37
Fees and commission expense	10,482.68	12,603.32	8,381.98	36,820.32	32,940.65
Net loss on fair value changes	548.06	-	-	-	-
Impairment on financial instruments	8,728.03	13,403.80	17,528.92	41,238.59	37,852.62
Employee benefits expenses	6,081.58	6,037.58	5,061.00	23,857.61	20,385.29
Depreciation and amortisation	415.65	433.66	430.56	1,669.69	1,531.32
Other expenses	5,210.10	3,885.33	3,328.41	15,229.82	10,483.44
Total expenses	55,184.18	59,248.61	54,484.20	2,07,383.91	1,85,479.69
Profit before tax	18,288.62	12,177.98	4,799.35	56,999.32	44,171.77
Tax expense					
Current tax	3,485.37	1,628.51	4,111.32	13,355.37	16,170.32
Tax related to earlier years	(348.00)	-	(1,006.00)	(348.00)	(1,006.00)
Deferred tax	1,288.90	1,332.81	(2,979.76)	1,076.63	(5,254.05)
Total tax expense	4,426.27	2,961.32	125.56	14,084.00	9,910.27
Profit for the period / year	13,862.35	9,216.66	4,673.79	42,915.32	34,261.50
Other comprehensive income					
Items that will not be reclassified to profit or loss in subsequent periods					
Remeasurement gain / (loss) on the defined benefit plan	51.75	(96.58)	(59.90)	(72.61)	(66.68)
Income tax relating to items that will not be reclassified to profit or loss	(13.02)	24.31	15.07	18.28	16.78
	38.73	(72.27)	(44.83)	(54.33)	(49.90)
Items that will be reclassified to profit or loss in subsequent periods					
Net (loss) / gain on financial instruments through other comprehensive income	(9,285.71)	2,763.93	3,381.93	(4,229.61)	(2,908.30)
Income tax relating to items that will be reclassified to profit or loss	2,337.21	(695.68)	(851.23)	1,064.59	732.02
	(6,948.50)	2,068.25	2,530.70	(3,165.02)	(2,176.28)
Net gain / (loss) on effective portion of cash flow hedges	5,996.98	321.15	(4,853.10)	9,778.04	(901.53)
Income tax relating to items that will be reclassified to profit or loss	(1,509.44)	(80.83)	1,221.53	(2,461.13)	226.92
	4,487.54	240.32	(3,631.57)	7,316.91	(674.61)
Other comprehensive (loss) / income for the period / year	(2,422.23)	2,236.30	(1,145.70)	4,097.56	(2,900.79)
Total comprehensive income for the period / year	11,440.12	11,452.96	3,528.09	47,012.88	31,360.71
Earnings per equity shares, par value of INR 10 each*					
Basic (in rupees)	8.58	5.70	2.90	26.57	22.59
Diluted (in rupees)	8.52	5.68	2.89	26.39	22.53

* Earnings per share for the quarters are not annualized

See accompanying notes to the audited standalone financial results



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Northern Arc Capital Limited
CIN: L65910TN1989PLC017021

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

Statement of audited assets and liabilities as at 31 March 2026

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

Particulars	As at 31 March 2026 (Audited)	As at 31 March 2025 (Audited)
ASSETS		
Financial assets		
Cash and cash equivalents	22,510.61	32,120.04
Bank balances other than cash and cash equivalents	26,126.56	31,482.92
Derivative financial instruments	21,835.82	5,476.55
Trade receivables	1,070.79	1,201.75
Loans	12,49,276.83	10,57,237.78
Investments	2,88,995.30	1,95,682.05
Other financial assets	38,960.68	9,320.14
	16,48,776.59	13,32,521.23
Non-financial assets		
Current tax assets (net)	828.09	-
Deferred tax assets (net)	7,238.79	9,693.68
Property, plant and equipment	727.40	938.48
Right of use asset	2,074.05	2,495.71
Intangible assets under development	1,303.59	593.49
Goodwill	2,085.13	2,085.13
Other intangible assets	853.49	1,313.96
Other non- financial assets	1,408.62	2,425.11
	16,519.16	19,545.56
TOTAL ASSETS	16,65,295.75	13,52,066.79
LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
Derivative financial instruments	-	2,363.48
Trade payables		
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	24,542.18	6,726.54
Debt securities	1,39,436.35	1,40,785.32
Borrowings (other than debt securities)	10,80,401.27	8,37,654.22
Other financial liabilities	26,061.37	17,670.10
	12,70,441.17	10,05,199.66
Non-financial liabilities		
Provisions	1,983.35	1,578.36
Current tax liabilities	-	2,832.34
Other non-financial liabilities	3,522.96	1,540.97
	5,506.31	5,951.67
EQUITY		
Equity share capital	16,157.18	16,137.93
Other equity	3,73,191.09	3,24,777.53
	3,89,348.27	3,40,915.46
TOTAL LIABILITIES AND EQUITY	16,65,295.75	13,52,066.79

See accompanying notes to the audited standalone financial results



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Northern Arc Capital Limited
CIN: L65910TN1989PLC017021
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Statement of standalone cashflows for year ended 31 March 2026

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

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
A Cash flow from operating activities		
Profit before tax	56,999.32	44,171.77
<u>Adjustments to reconcile profit before tax to net cash flows:</u>		
Depreciation and amortisation expenses	1,669.69	1,531.32
Interest income on loans, fixed deposits and investments	(2,43,221.55)	(2,18,173.69)
Unrealised (gain) / loss on investments	(957.10)	(393.16)
Gain on investment in mutual funds	(464.19)	(723.69)
Profit on sale of investments	186.91	(716.00)
Impairment on financial instruments including amounts writtenoff	41,238.59	37,852.62
Employee share based payment expenses	855.19	1,303.88
Amortisation of discount on commercial papers	1,827.31	2,400.31
Finance costs	86,740.57	79,886.06
Interest on income tax refund	(46.62)	(214.92)
Net gain on derecognition of financial assets	(13,385.95)	(4,122.53)
Gain on account of lease foreclosed	-	(0.78)
Cash used in operations before working capital changes and adjustments	(68,557.83)	(57,198.81)
Changes in working capital and other changes:		
Changes in other financial assets	(15,815.14)	5,133.74
Changes in trade receivables	132.83	236.08
Changes in loans	(3,52,141.95)	(2,86,906.59)
Changes in other non financial assets	1,016.49	(793.69)
Changes in other bank balances	5,549.09	(8,943.80)
Changes in other financial liabilities	8,813.69	1,780.91
Changes in other non-financial liabilities	1,981.99	349.08
Changes in trade payables and provisions	18,085.48	(8,140.08)
Cash used in operations before adjustments	(4,00,935.35)	(3,54,483.16)
Proceeds from de-recognition of financial assets	84,525.08	81,746.19
Recovery from written off assets	32,024.05	44,712.79
Interest income received on loans, fixed deposits and investments	2,35,790.34	2,15,103.87
Finance cost paid	(87,170.10)	(81,568.04)
Income tax paid (net)	(16,621.18)	(10,910.65)
Net cash used in operating activities (A)	(1,52,387.16)	(1,05,399.00)
B Cash flows from investing activities		
Purchase of property, plant and equipment, other intangible assets and intangibles under development	(1,000.02)	(1,623.92)
Proceeds from disposal of right of use assets	-	0.26
Purchase of investments	(13,74,703.53)	(3,81,225.71)
Proceeds from sale of investments	12,78,160.84	3,69,920.72
Investment in associate	-	(26,730.49)
Sale of investments in associate	11,250.00	-
Investment in subsidiary	(1,800.00)	(100.00)
Net cash used in investing activities (B)	(88,092.71)	(39,759.14)
C Cash flow from financing activities		
Proceeds from issue of debt securities	75,594.09	87,500.00
Repayment of debt securities	(77,885.41)	(87,181.54)
Proceeds from borrowings (other than debt securities)	7,14,946.13	9,87,520.00
Repayment of borrowings (other than debt securities)	(4,81,356.50)	(9,13,268.92)
Payment of principal portion of lease liabilities	(676.44)	(338.00)
Payment of interest on lease liabilities	(275.26)	(270.80)
Share application money received pending allotment	-	38.84
Proceeds from issue of equity share capital including securities premium	523.83	87,154.77
Net cash generated from financing activities (C)	2,30,870.44	1,61,154.35
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(9,609.43)	15,996.21
Cash and cash equivalents at the beginning of the year	32,120.04	16,123.83
Cash and cash equivalents at the end of the year	22,510.61	32,120.04
<i>See accompanying notes to the audited standalone financial results</i>		



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Notes:

- 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 the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS), 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 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 08 May 2026. The audited standalone financial results have been subjected to audit by the statutory auditors of the Company.
- 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 31 March 2026	Unutilised as at 31 March 2026
Meet future capital requirements towards onward lending	44,984.46	44,984.46	-
Total	44,984.46	44,984.46	-

- During the year ended 31 March 2026, pursuant to Northern Arc Employee Stock Option Scheme, 2016 and Northern Arc Employee Stock Option Scheme, 2018, the Board of Directors allotted 1,92,539 fully paid-up equity shares of INR 10 each.
- Disclosures required under Reserve Bank of India (Non-Banking Financial Companies - Transfer and Distribution of Credit Risk) Directions, 2025 are given below:

a) 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)	93,916.76	45,960.92	-
Number of loans (in absolute numbers)	1,10,077	76,264	-
Sale consideration / purchase consideration (₹ in lakhs)	84,525.08	45,960.92	-
Number of transactions (in absolute numbers)	15.00	22.00	-
Weighted average maturity (in years)	3.76	4.96	-
Weighted average holding period (in years)	0.99	0.90	-
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.

b) Details of stressed loans transferred during year ended 31 March 2026 under Reserve Bank of India (Non-Banking Financial Companies - Transfer and Distribution of Credit Risk) Directions, 2025 are given below:

Particulars	To Asset Reconstruction Companies (ARCs)	To permitted transferees	To other transferees (please specify)
No. of accounts	888	-	-
Aggregate principal outstanding of loans transferred	5,919.86	-	-
Weighted average residual tenor of the loans transferred (in years)	6.28	-	-
Net book value of loans transferred (at the time of transfer)	4,362.99	-	-
Aggregate consideration	4,143.00	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-



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c) Details of Co-Lending Arrangements (CLA) as a Partner RE

Particulars	As at 31 March 2026
1) Quantum of CLAs	8
2) No of outstanding loans	8,13,332
3) Amount of gross outstanding (₹ in lakhs)	1,51,966.18
4) Weighted average rate of interest	26.57%
5) Fees charged during the year (₹ in lakhs)*	54.44
6) Broad sectors in which CLA was made	Consumer finance, Vehicle Finance and Small business loans
7) Performance of loans under CLA (Rs in lacs)	
(i) Stage I	1,49,299.95
(ii) Stage II	2,473.28
(iii) Stage III	192.95
8) Details related to default loss guarantee	Upto 5% of total amount disbursed

* The fees does not include share of interest agreed in the co-lending agreement from time to time.

- 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 and year ended 31 March 2026 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.



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- 8A The Company has entered into Default Loss Guarantee (DLG) 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 DLG arrangements in the computation of Expected Credit Loss (ECL).
- During the previous year ended 31 March 2025, the Reserve Bank of India (RBI), vide e-mail communication dated 16 May 2025, had directed the Company to exclude the credit enhancements under DLG arrangements in the computation of Expected Credit Loss ("ECL") as at 31 March 2025 and absorb such impact by 30 June 2025. Pursuant to this, the Company had evaluated the total impact of such exclusion of the credit enhancements from the ECL computation to be ₹ 8,041 lakhs as at 31 March 2025 of which the Company, during the quarter ended 31 March 2025, recorded ₹ 6,835 lakhs and the remaining exposure pertaining to ECL of ₹ 1,206 lakhs had been recorded / rundown during the quarter ended 30 June 2025.
- In the current year, the RBI issued RBI (Non-Banking Financial Companies- Income Recognition, Asset Classification and Provisioning) Amendment Directions, 2026 dated 13 February 2026 ("the amendment directions"), which permits a NBFC to consider the DLG benefits for determining provisions under the ECL framework across all stages if those are integral to the contractual terms and not recognized separately, subject to compliance with Indian Accounting Standards, hence the Company has recomputed ECL provision as at 31 March 2026 after considering the expected recoveries from credit enhancements under DLG arrangements - resulting in net reversal of ECL provision of INR 2,900 lakhs for the current quarter.
- 8B During the current quarter, management has assessed that the model driven Expected Credit Loss (ECL) estimates, while compliant with Ind AS 109 and validated through internal methodologies, may not fully capture the potential impact of heightened geopolitical uncertainties prevailing in the operating environment. This primarily affects the Company's unsecured retail lending to MSMEs and individuals, including microfinance, which are inherently sensitive to changes in borrower cash flows, inflationary pressures, and broader economic stress conditions. Accordingly, management has considered it prudent to maintain an additional ECL provision of ₹ 6,631 lakhs. This provision is dynamic in nature and will be periodically reassessed based on evolving macroeconomic and portfolio conditions. The utilization or recalibration of the overlay will be considered upon the occurrence of macroeconomic events and portfolio conditions impacting the identified loan portfolios.
- 9 Pursuant to the notification of the 4 New Labour Codes by the Government of India viz the Code on Wages, 2019, the Code on Social Security, 2020, the Industrial Relations Code, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as the "New Labour Codes") with effect from 21 November 2025, and pending issuance of the detailed Rules, the Company has reassessed its employee benefit obligations based on the revised definition of wages and expanded eligibility criteria under the New Labour Codes. Based on the management's best estimates the impact of employee benefit obligations is not material to the audited standalone financial results, and the Company continues to monitor developments and will review its estimates as further clarifications and Rules are notified.
- 10 The figures for the last quarter of the current and previous financial year are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of third quarter of the current and previous financial year which were subjected to limited review by statutory auditors.

Place: Mumbai
Date: 08 May 2026

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


Ashish Mehrotra
Managing Director & CEO



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	Year ended 31 March 2026
Debt-equity ratio	1.1	3.13
Total debts to total assets	1.2	0.73
Net worth (amount in INR lakhs)	1.3	3,89,348.27
Capital redemption reserve (amount in INR lakhs)		2,660.00
Net profit after tax (amount in INR lakhs)		42,915.32
Earnings per share (of Rs. 10 each)		
- Basic		26.57
- Diluted		26.39
Gross stage 3 assets ratio	1.4	1.34%
Net stage 3 assets ratio	1.5	0.70%
Capital adequacy ratio (CRAR)	1.6	22.56%
Asset cover over listed non-convertible debentures	1.7	1.14
Net profit margin (%)	1.8	16.23%

- 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 year / 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.



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Computation of security cover ratio as on 31 March 2026

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

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								
ASSETS														
Property, Plant and Equipment		-	-	No	-	-	727.40	-	727.40					
Capital Work-in-Progress		-	-	No	-	-	-	-	-					
Right of Use Assets		-	-	No	-	-	2,074.05	-	2,074.05					
Goodwill		-	-	No	-	-	2,085.13	-	2,085.13					
Intangible Assets		-	-	No	-	-	853.49	-	853.49					
Intangible Assets under Development		-	-	No	-	-	1,303.59	-	1,303.59					
Investments	Investments	94,591.72	73,761.41	No	-	-	1,20,642.17	-	2,88,995.30					
Loans	Loans from loans	20,559.40	11,07,428.28	No	-	-	1,21,289.15	-	12,49,276.83					
Inventories		-	-	No	-	-	-	-	-					
Trade Receivables		-	-	No	-	-	1,070.79	-	1,070.79					
Cash and Cash Equivalents		-	-	No	-	-	22,510.61	-	22,510.61					
Bank Balances other than Cash and Cash Equivalents		-	-	No	-	-	26,126.56	-	26,126.56					
Others		-	-	No	-	-	70,272.00	-	70,272.00					
Total		1,15,151.12	11,81,189.69				3,68,954.94		16,65,295.75					
LIABILITIES														
Debt securities to which this certificate pertains	Secured Non Convertible Debentures (NCDs)	1,00,850.00		No					1,00,850.00					
Other debt sharing pari-passu charge with above debt		-	-	No	-	-	-	-	-					
Other Debt		-	-	No	-	-	-	-	-					
Subordinated debt		-	-	No	-	-	-	-	-					
Borrowings		-	-	No	-	-	-	-	-					
Bank		-	7,50,423.90	No	-	-	-	-	7,50,423.90					
Debt Securities		-	15,800.00	No	-	-	22,786.35	-	38,586.35					
Others		-	3,13,807.78	No	-	-	16,169.63	-	3,29,977.41					
Trade payables		-	-	No	-	-	24,498.57	-	24,498.57					
Lease Liabilities		-	-	No	-	-	2,553.05	-	2,553.05					
Provisions		-	-	No	-	-	1,983.35	-	1,983.35					
Others		-	-	No	-	-	27,085.85	-	27,085.85					
Total		1,00,850.00	10,80,031.68				95,076.80		12,75,958.48					
Cover on Book Value (Note 1)	Exclusive Security Cover Ratio(Note 1)	1.14			Pari-Passu Security Cover Ratio	NA								

Note:

- The security cover ratio pertains to listed secured debentures. Disclosure in the statement is cumulative for all the listed secured debentures of the Company.
- The above financial information has been extracted from the standalone audited financial statements for the year ended 31 March 2026

Place: Mumbai
Date: 08 May 2026



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

Ashish Mehrotra
Managing Director & CEO



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_28 MAR 2024	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	SUNDARAM FIN & OTH NCD_225CR_10 SEP 2025	INE850M07491	Non-convertible Debentures	10-Sep-25	1,00,000	Part B - Clause 2.2	Complied	Not applicable
4	DCB & KVB OTH NCD_250CR_31 DEC 2025	INE850M07509	Non-convertible Debentures	24-Dec-25	1,00,000	Part B - Clause 2.2	Complied	Not applicable

Place: Mumbai
Date: 08 May 2026



For and on behalf of the Board of Directors of


Ashish Mehrotra
Managing Director & CEO



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