Public disclosure on liquidity risk for the quarter ended 30th September 2025

Funding Concentration based on significant counterparty:

Number of significant counterparties	Amount (INR Cr.)	% of Total deposits	% of Total liabilities
25	8,740.84	NA	82.76%

Top 10 borrowings:

S. No	Lenders	Amount (INR Cr.)	% of total borrowing
1	Lender 1	1,641.26	16.13%
2	Lender 2	893.00	8.78%
3	Lender 3	516.72	5.08%
4	Lender 4	502.50	4.94%
5	Lender 5	474.67	4.67%
6	Lender 6	465.35	4.57%
7	Lender 7	464.75	4.57%
8	Lender 8	424.50	4.17%
9	Lender 9	400.98	3.94%
10	Lender 10	334.10	3.28%

Funding Concentration based on significant instrument/product (as of 30-September -2025)

S. No	Name of the instrument/product	Amount (INR Cr.)	% of Total liabilities
1	Term loan	6,512.57	61.66%
2	Non-Convertible Debentures	1,297.63	12.29%
3	ECB	1,093.28	10.35%
4	WCDL	914.00	8.65%
5	Commercial Paper	225.00	2.13%
6	PTC	97.77	0.93%
7	OD against FD	8.66	0.08%
8	Cash Credit Account	23.27	0.22%
	Total	**10,172.17**	**96.32%**

Stock ratios:

Particulars	Ratio
Commercial paper as a % of total liabilities	2.13%
Commercial paper as a % of total assets	1.59%
Commercial paper as a % of total public funds	3.06%
Non-convertible debentures (original maturity of less than one year) as a % of total public funds	0.00
Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	0.00
Non-convertible debentures (original maturity of less than one year) as a % of total assets	0.00
Other short-term liabilities, as a % of total liabilities	49.61%
Other short-term liabilities, as a % of total assets	36.93%
Other short-term liabilities, as a % of total public funds	71.32%

Northern Arc Capital Limited
Registered Office:
10th Floor, Phase-I, IIT-Madras Research Park, Kanagam Village, Taramani, Chennai - 600 113, India
+91 44 6668 7000 | contact@northernarc.com | www.northernarc.com
CIN.. L65910TN1989PLC017021

Liquidity Coverage Ratio:
(As per provisional data – In Crs)

LCR Disclosure		Total Unweighted Value (average)	Total Weighted Value (average)	Weights
High Quality Liquid Assets				
1	Total High Quality Liquid Assets (HQLA)	354.08	354.08	
Cash Deposits				
2	Deposits (for deposit taking companies)	-	-	115%
3	Unsecured wholesale funding	-	-	115%
4	Secured wholesale funding	169.40	194.81	115%
5	**Additional requirements, of which**			
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	115%
(ii)	Outflows related to loss of funding on debt products	-	-	115%
(iii)	Credit and liquidity facilities	-	-	115%
6	Other contingent funding obligations	2.61	3.00	115%
7	Opex related	39.00	44.85	115%
8	**TOTAL CASH OUTFLOWS**	**211.01**	**242.66**	
Cash Inflows				
9	Secured lending	581.62	436.21	75%
10	Inflows from fully performing exposures	545.76	409.32	75%
11	Other cash inflows	10.00	7.50	75%
12	**TOTAL CASH INFLOWS**	**1,137.38**	**853.03**	
			Total Adjusted Value	
13	**TOTAL HQLA to be maintained 100%**		**60.67**	
14	**TOTAL NET CASH OUTFLOWS**		**60.67**	
15	**LQUIDITY COVERAGE RATIO (%)**		**583.66%**	

As on 30th September 2025, Northern Arc has maintained INR 354.08 crores of HQLA in the form of cash (85.88%) and T bill (14.12%). Hence the company was compliant with the LCR requirement.

i) Unweighted values calculated as outstanding balances maturing within one month (for inflows and outflows).
ii) Weighted values calculated after the application of respective haircuts (for HQLA) and stress factors on inflow (75%) and outflow (115%).
iii) Components of HQLA: Cash on hand and Demand deposits with Scheduled Commercial Banks and Government Securities and Treasury bill.

Institutional framework for Liquidity Risk Management at Northern Arc Capital Limited

The broad guidelines for management of Liquidity Risks for Northern Arc are set out in the Asset Liability Management (ALM) Policy. The ALM Policy is implemented in a structured manner across three levels:

a) Board of directors – has the ultimate responsibility for implementation of the ALM policy by setting overall limits for liquidity, interest rate, ALM related procedures and processes
b) Risk Committee – Board level Committee that reviews the framework for management of interest rate and liquidity risks and recommends the same to the Board. The Risk Committee, while recommending the policy/ changes in the policy for approval shall take into account of the asset-liability relationships, risk tolerance, long-term risk and return requirements, liquidity requirements, and solvency position of Northern Arc's business.
c) ALCO – executive Committee responsible for ensuring adherence to the limits set up the Board in line with the company's risk objectives and ALM policy

ALCO at Northern Arc Capital comprises of Chief Executive Officer (Chairperson of the Committee), Chief Financial Officer, Chief Business Officer, Group Risk Officer & Governance Head, EVP –Partnership Based Lending, Chief Legal Counsel. In addition, the Head of the Technology Division shall also be an invitee for building up of MIS and related computerisation (and shall not have voting right) shall also be an invitee to ALCO. The ALCO is a decision-making Committee responsible for strategic management of interest and liquidity risks. The ALCO would articulate the interest rate view of the Company and decide on the source and mix of liabilities viz. fixed vs. floating rate liabilities, domestic vs. foreign funding, market making, capital market funding or sale of assets. ALCO also measures the liquidity position of the company on an ongoing basis and examines the liquidity position under different scenarios.

ALCO is supported by ALCO desk to carry out its responsibilities. The ALCO Desk consists of operating staff, with authority delegated by the ALCO. The ALCO desk prepares forecasts and scenarios showing the effects of various possible changes in market conditions related to the balance sheet and recommends the action needed to adhere to internal limits under the ALCO Policy and limits laid down by RBI Guidelines. At Northern Arc Capital, treasury team functions as the ALCO desk and is responsible for formulating and executing the strategies approved by ALCO.