

**Public disclosure on liquidity risk for the quarter ended 31<sup>st</sup> December 2025**
**Funding Concentration based on significant counterparty:**

| Number of significant<br>counterparties | Amount (INR Cr.) | % of Total<br>deposits | % of Total<br>liabilities |
|---|------------------|------------------------|---------------------------|
| 26                                      | 9,610.97         | NA                     | 82.67%                    |

**Top 10 borrowings:**

| S. No | Lenders   | Amount (INR Cr.) | % of total borrowing |
|-------|-----------|------------------|----------------------|
| 1     | Lender 1  | 1,461.89         | 13.26%               |
| 2     | Lender 2  | 769.00           | 6.97%                |
| 3     | Lender 3  | 538.00           | 4.88%                |
| 4     | Lender 4  | 495.27           | 4.49%                |
| 5     | Lender 5  | 467.32           | 4.24%                |
| 6     | Lender 6  | 438.67           | 3.98%                |
| 7     | Lender 7  | 434.67           | 3.94%                |
| 8     | Lender 8  | 430.00           | 3.90%                |
| 9     | Lender 9  | 427.89           | 3.88%                |
| 10    | Lender 10 | 405.50           | 3.68%                |

**Funding Concentration based on significant instrument/product (as of 31-December -2025)**

| S.<br>No | Name of the instrument/product | Amount (INR Cr.) | % of total Liabilities |
|----------|--------------------------------|------------------|------------------------|
| 1        | Term loan                      | 6,671.70         | 57.39%                 |
| 2        | Non Convertible Debentures     | 1,316.92         | 11.33%                 |
| 3        | ECB                            | 1,495.51         | 12.86%                 |
| 4        | WCDL                           | 844.00           | 7.26%                  |
| 5        | Commercial Paper               | 225.00           | 1.94%                  |
| 6        | PTC                            | 284.32           | 2.45%                  |
| 7        | OD against FD                  | 60.50            | 0.52%                  |
| 8        | Cash Credit Account            | 28.50            | 0.25%                  |
|          | <b>Grand Total</b>             | <b>10,926.44</b> | <b>93.98%</b>          |

**Stock ratios:**

| Particulars   | Ratio  |
|---|--------|
| Commercial paper as a % of total liabilities  | 1.94%  |
| Commercial paper as a % of total assets   | 1.46%  |
| Commercial paper as a % of total public funds   | 3.00%  |
| 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   | 47.65% |
| Other short-term liabilities, as a % of total total assets  | 35.96% |
| Other short-term liabilities, as a % of total public funds  | 73.78% |

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

| LCR Disclosure                    |   | Total Unweighted Value (average) | Total Weighted Value (average) | Weights |
|-----------------------------------|---|----------------------------------|--------------------------------|---------|
| <b>High Quality Liquid Assets</b> |   |                                  |                                |         |
| 1                                 | Total High Quality Liquid Assets (HQLA)                                       | 490.83                           | 490.83                         |         |
| <b>Cash Deposits</b>              |   |                                  |                                |         |
| 2                                 | Deposits (for deposit taking companies)                                       | -                                | -                              | 115%    |
| 3                                 | Unsecured wholesale funding   | -                                | -                              | 115%    |
| 4                                 | Secured wholesale funding   | 167.00                           | 192.05                         | 115%    |
| 5                                 | <b>Additional requirements, of which</b>                                      |                                  |                                |         |
| (i)                               | Outflows related to derivative exposures<br>and other collateral requirements | -                                | -                              | 115%    |
| (ii)                              | Outflows related to loss of funding on<br>debt<br>products                    | -                                | -                              | 115%    |
| (iii)                             | Credit and liquidity facilities   | -                                | -                              | 115%    |
| 6                                 | Other contingent funding obligations  | -                                | -                              | 115%    |
| 7                                 | Opex related  | 41.00                            | 47.15                          | 115%    |
| 8                                 | <b>TOTAL CASH OUTFLOWS</b>  | <b>208.00</b>                    | <b>239.20</b>                  |         |
| <b>Cash Inflows</b>               |   |                                  |                                |         |
| 9                                 | Secured lending   | 595.10                           | 446.33                         | 75%     |
| 10                                | Inflows from fully performing exposures                                       | 609.87                           | 457.40                         | 75%     |
| 11                                | Other cash inflows  | -                                | -                              | 75%     |
| 12                                | <b>TOTAL CASH INFLOWS</b>   | <b>1,204.97</b>                  | <b>903.73</b>                  |         |
|                                   |   |                                  | Total Adjusted Value           |         |
| 13                                | <b>TOTAL HQLA to be maintained 100%</b>                                       |                                  | <b>59.80</b>                   |         |
| 14                                | <b>TOTAL NET CASH OUTFLOWS</b>  |                                  | <b>59.80</b>                   |         |
| 15                                | <b>LIQUIDITY COVERAGE RATIO (%)</b>   |                                  | <b>820.79%</b>                 |         |

As on 31st December 2025, Northern Arc has maintained INR 490.83 crores of HQLA in the form of cash (69.44%) and T bill (30.56%). 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 ALCO Policy of the Company falls under the authority of its Board of Directors, which in turn delegates authority for its formulation, revision and administration to the ALCO.

The Board of Directors / Committees of the Board has the ultimate responsibility for the implementation of and ensuring adherence to this policy, which shall be operationalized through the functioning of the Risk Committee from time to time.

The Board shall approve the ALCO Policy, post recommendation from the Risk Committee. 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 the Company's business,

The ALCO of Northern Arc consists of the following fixed members at present (subject to reconstitution – as approved by the Board of Directors from time to time):

- Chief Executive Officer (Chairperson)
- Chief Financial Officer (Member)
- Group Risk Officer (GRO) and Governance Head (Member)
- Chief Legal Counsel (CLC) (Member)
- Head Intermediate Retail Business (Member)
- EVP – Partnership-based Lending (Member)