



Northern Arc Capital Limited
17th Annual General Meeting

August 25, 2025

BOARD OF DIRECTORS/KMP PRESENT:

MR. P S JAYAKUMAR – CHAIRMAN AND INDEPENDENT DIRECTOR

**MR. ASHISH MEHROTRA – MANAGING DIRECTOR AND CHIEF
EXECUTIVE OFFICER**

MR. ASHUTOSH PEDNEKAR – INDEPENDENT DIRECTOR

MS. ANURADHA RAO – INDEPENDENT DIRECTOR

MR. SANDEEP DHAR – INDEPENDENT DIRECTOR

**MS. KSHAMA FERNANDES – NON-EXECUTIVE NON-INDEPENDENT
DIRECTOR**

KEY MANAGEMENT PERSONNEL:

MR. ATUL TIBREWAL – CHIEF FINANCIAL OFFICER

MR. PRAKASH CHANDRA PANDA – COMPANY SECRETARY

STATUTORY AUDITORS:

**M/S. WALKER CHANDIOK & COMPANY LLP, CHARTERED
ACCOUNTANTS**

SECRETARIAL AUDITORS:

**MR. DAMODARAN – MANAGING DIRECTOR OF MR. DAMODARAN &
ASSOCIATES LLP, PRACTICING COMPANY SECRETARY – SECRETARIAL
AUDITORS FOR THE FY 2024-25**

**M/S. ALAGAR & ASSOCIATES LLP – SECRETARIAL AUDITORS FROM
FY 2025 -26 TO FY 2029-30**

**MR. N. A. SRINIVASAN, DESIGNATED PARTNER FROM M/S. GENICON
LEGAL LLP - SCRUTINIZER**

Moderator: Thank you. Management, we are live now.

P S Jayakumar: Good morning to all. I, P S Jayakumar, Independent Director and Chairman of this meeting, as well as the members of the Audit Committee, the Nomination and Remuneration Committee and the Risk Management Committee, extend a very warm welcome to all the shareholders attending the 17th Annual General Meeting of Northern Arc Capital Limited. In compliance with the directions of MCA and guidelines of SEBI, this AGM is arranged through video conferencing and other audiovisual needs. Pursuant to the circular issue by MCA and Section 103 of the Companies Act 2013, the Company Secretary has confirmed that the requisite quorum is present through video conferencing or other audiovisual needs. Now, I call the meeting to order.

Before we begin the proceedings of the meeting, I would like to introduce all my colleagues who are attending this meeting through video conferencing. Mr. Ashish Mehrotra - MD and CEO, Chairman of the Wilful Defaulter Committee, Member of the Stakeholder Committee, Risk Management Committee, Corporate Social Responsibility Committee, IT Strategy Committee and ESG Committee.

Mr. Ashutosh Pednekar - Independent Director, Chairman of the Audit Committee, the Corporate Social Responsibility Committee, the ESG Company and Member of the Risk Management Committee and Wilful Defaulter Committee.

Ms. Kshama Fernandes - Non-Executive Non-Independent Director of the Company and also Member of the Stakeholder Relationship Committee, the Risk Management Committee, Corporate Social Responsibility Committee and the ESG Committee.

Ms. Anuradha Rao - Independent Director of the Company and also the Chairperson of the Nomination and Remuneration Committee, the Risk Management Committee and the Stakeholder Relationship Committee and the Member of Audit Committee, IT Strategy Committee and the Wilful Defaulter Committee.

Mr. Sandeep Dhar - Independent Director of the Company and also the Chairman of the IT Strategy Committee, Member of the Audit Committee and the Risk Management Committee.

Mr. Michael Jude Fernandes, Non-executive, Nominee Director and Mr. Vijay Nallan Chakravarti – Non-Executive, Nominee Director of the Company are unable to attend the meeting due to prior engagement.

The Statutory Auditors of the Company, M/s. Walker Chandiook & Company LLP, Chartered Accountants, have also joined the meeting through video conferencing.

The Secretarial Auditor of the Company for the Financial Year 2024-25, Mr. Damodaran - Managing Director of Mr. Damodaran & Associates LLP, Practicing Company Secretaries, Chennai and the Proposed Secretarial Auditor, M/s. Alagar & Associates LLP whose appointment is placed as one of the agenda in the meeting, have also joined the meeting through video conferencing. Mr. N. A. Srinivasan, Designated Partner from M/s. Genicon Legal LLP, Advocators and Advisors, Chennai have also been appointed as scrutinizers to oversee the conduct of the remote e-voting and e-voting at the AGM in a fair and transparent manner. He has also joined the meeting through video conferencing.

The Company has made all feasible efforts to enable members to participate through video conferencing or other audio-visual means and also to vote at the Annual General Meeting. I appreciate greatly to all of you for taking your time to attend this AGM meeting virtually.

Now, I call upon Mr. Prakash Chandra Panda - Company Secretary, to make a few general announcements. Over to you, Mr. Prakash.

Prakash Chandra Panda: Thank you, Chairman. In compliance with the circular issued by the Ministry of Corporate Affairs, SEBI, the provision of the Company's Act and the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, the Annual General Meeting of the Company is being held through video conferencing or other audio-visual means. Hence, the facility for appointing proxy is not applicable for this meeting.

According to recent circular of SEBI, the notice of the Annual General Meeting along with the Annual Report was sent to the registered email ID of all the shareholders. For those shareholders who have not registered their email ID either with the Company or with the **DP** or the RTA, the Company has sent a physical letter containing the web links and webcast details to access the notice and Annual Report. In accordance with the provision of the Companies Act and the SEBI Listing Regulations, the member has been provided with facility to exercise their right to vote through remote e-voting and e-voting during and after the Annual General Meeting on the NSDL e-voting platform.

The Company has offered remote e-voting facility to the members through NSDL e-voting platform from Thursday, August 21, 2025 at 9 a.m. to Sunday, August 24, 2025 at 5 p.m. Members who have not voted through the remote e-voting may cast their vote until the 15 minutes from the conclusion of this meeting. Mr. N. A. Srinivasan from the M/s Genicon Legal LLP, Advocates and Advisors Firm Chennai has been appointed as scrutinzers for the e-voting process. In terms of the SEBI LODR Regulations, voting results will be announced within 2 working days and the results will be disseminated on the website of stock exchanges and the Company.

All the relevant documents referred to in the agenda requiring the approval of the shareholder at the meeting and other statutory registers and documents are available for inspection on the NSDL e-voting platform. The Company has received requests from its shareholders to register themselves as speakers. Once the Chairman opens the floor for question-and-answer session, the moderator will facilitate the session and the speaker shareholder will be called as per the sequence number allotted to them. All the members attending or joining the AGM will by default be placed on mute mode and during the question-and-answer session, on the announcement of the name by the moderator, the microphone of the member will be shifted to unmute mode. During the question-and-answer session, if the speaker shareholder is unable to join due to connectivity issues, we will proceed with the next speaker. When the connectivity improves, the shareholder will be allowed to speak within the available time. If any shareholder, other than the speaker shareholder, faces any technical issues, please contact the helpline number mentioned in the notice of the Annual General Meeting or refer the FAQ section available on the video conferencing screen. It may kindly be noted that the Chairman of this meeting reserves his right to limit the time to the members asking questions and also the number of questions depending on the availability of time of the AGM session. Over to the Chairman for welcome address.

P S Jayakumar:

Dear shareholders, it is with great pleasure and pride that Northern Arc presents the Annual Report to the Financial Year 2024-25. This year has been a transformative period for the company, marking its first financial year as a listed company. This year has marked a transformative period for the company, beginning its first full financial year as a listed company, a milestone that signified market acceptance, enhanced public perception of Northern Arc, and underscored the company's responsibility to deliver sustained value, generate financial returns, and uphold shareholder's trust.

In the financial year 2024-25, the Indian economy navigated a complex landscape shaped by both opportunity and challenge. Monsoon variability and food inflation, unpredictable rainfall pattern, and volatility in food prices exerted pressure on the rural income and inflation management. Global headwinds - slowing global growth elevated energy prices and geopolitical tensions weighed on export demand and investment. Tight monetary conditions, elevated global interest rates, impacted domestic liquidity, increased the cost of borrowing, creating cautious lending environment, and impacting credit flows to both retail individuals and MSMEs. Slowdown in the retail credit market, retail credit market decelerated from 18% growth year-on-year in 2023-24 to 13.9% in 2024-25. Rising Delinquency Financial Year 2024-25 also witnessed a rise in delinquency, particularly in the consumer finance and MFI sector. As a result, banks and NBFCs adopted more risk-averse stance, focusing on asset quality over growth, despite multiple rate reductions by the Reserve Bank of India.

Amidst these challenges, India overtook Japan to become the world's 4-largest economy, behind only the United States, China, and Germany. India's real GDP grew by 6.5% in Financial Year

2024-25 to INR 188 trillion, supported by government-led infrastructure investment, resilient services exports, and accommodative monetary policy.

Government-led reform across physical infrastructure, digital platforms, and financial inclusion have laid the foundation for a more equitable and connected economy. In this context, NBFCs like Northern Arc played a critical role, bridging credit gaps, innovative financial delivery, and reaching the last mile. In Financial Year 2024-25, Northern Arc surpassed INR 2 trillion in cumulative volume since inception and positively impacted over 118 million lives, reaffirmed its role as a vital enabler of inclusive growth and economic progress.

In the Financial Year 24-25, Northern Arc faced several macro and sectoral headwinds, including stress in the MFI portfolio, heightened regulatory scrutiny, and tightening liquidity conditions. Despite these, Northern Arc remained steadfast in its commitment to addressing the credit need of the underserved households and businesses across India.

The company continued to expand its footprint and strengthen its product suite, delivering consistent growth across business segments. This was made possible through a strong balance sheet built on prudent risk management, robust provisioning, healthy capital reserves, sound asset liability management, and unwavering focus on governance and compliance.

Growth during this period was driven by strategic emphasis on customer-centric approach, portfolio granularity, technology-led innovation, and disciplined cost control. Guided by agility, innovation, and a strong sense of purpose, Northern Arc continued to make meaningful strides towards building a more inclusive and sustainable financial ecosystem.

Strong governance lies at the core of Northern Arc's institutional ethos. Guided by an experienced and independent Board, the company has maintained a disciplined approach to strategy, compliance, and ethics. Northern Arc's governance framework is anchored in transparency, accountability, and robust risk management culture. Backed by a well-capitalized balance sheet and proactive asset liability management, Northern Arc ensures resilience even as it pursues growth. As the company evolves, it remains committed to continuously raising the bar on governance standards and deepening risk capabilities to protect and create value for all shareholders.

At Northern Arts, ESG and CSR are not peripheral activities. They are embedded in the fabric of its purpose. Sustainable development and social responsibilities are viewed as powerful enablers for long-term impact and shareholder values. By facilitating efficient access to debt finance for the underserved households and enterprises, Northern Arc's work contributes meaningfully to nine of the 17 UN Sustainable Development Goals, reaffirming its role in advancing financial inclusion as a national and global priority. Through collaborative efforts with Northern Arc Foundation on CSR, to further inclusive growth, Northern Arc continues to

deliver tangible impact across all states and union territories, supporting livelihood, empowering communities, and delivering inclusive progress.

Looking ahead, the future presents a landscape rich opportunity for the NBFC sector, driven by accelerating digital transformation, regulatory support, and rising credit demand from the underserved market. Northern Arc is well-positioned to capitalize on this momentum by scaling responsibility and deepening its presence across its three core segments, namely MSME, consumer finance, and rural finance, which together represent a significant share of India's growing credit needs. With its domain experience, advanced technology platform, comprehensive data infrastructure, extensive distribution growth, the company is strategically poised for growth and innovation centered around customer needs. Its unwavering focus on risk management and commercial viability ensures that it continues to create sustainable impact at the grassroots level while building an agile, future-ready organization.

I would also like to take this opportunity to thank Mr. T. S. Anantharaman, who retired from the Board on June 20, 2025, for his valuable contribution to the deliberation of the Board and providing directions to the company. Northern Arc thanks all its shareholders for their continued trust and support.

As the 17th AGM notice and Annual Report for the Financial Year 2024-25 have already been made available to all the shareholders. With your permission, I take these as read. As per the Secretarial Standards, reading the entire text of the Statutory Auditor's Report or the Secretarial Auditor's Report is not mandatory unless the set report has certain qualifications, observations, and comments. Since there are no qualifications, observations, and comments in these reports of the Statutory Auditor, as well as the Secretarial Auditor of the company, with your permission, I take the Statutory Auditor's Report as well as the Secretarial Auditor's Report as read.

For the benefit of the shareholder, I now request the Company Secretary to read out the agenda items in the AGM notice.

Prakash Chandra Panda: Thank you, Chairman. Dear Members, there are 9 agenda items mentioned in the AGM notice, of which 3 are Ordinary Resolutions and 6 are Special Resolutions, and the same are given here.

Agenda item number 1: Ordinary Resolution - To receive, consider, and adopt the audited, standalone, and consolidated financial statements of the company for the Financial Year ended March 31, 2025 and the report of the Board of Directors and Auditors thereon.

Agenda number 2: Ordinary Resolution - To appoint directors in place of Michael Jude Fernandes, who retired by rotation and being eligible for himself for reappointment.

Agenda number 3: Ordinary Resolution - To appoint M/s. Alagar & Associates LLP as the Secretarial Auditor of the company for a term of 5 years and to authorize the Board of Directors of the Company to fix their remuneration.

Agenda number 4: Special Resolution - To approve Creation of charges on the asset of the company under Section 180 (1) (a) of the Companies Act, 2013.

Agenda number 5: Special Resolution - To approve to increase in borrowing power in excess of the paid-up share capital, fee reserves, and securities premium of the Company pursuant to Section 180 (1) (c) of the Companies Act, 2013.

Item number 6: Special Resolution - To approve, offer, and issue the Non-Convertible Debenture in one or more tranches on a private placement basis.

Item number 7: Special Resolution - Approval for increase of ESOP Option under Northern Arc Employee Stock Option Plan 2016.

Item number 8: Special Resolutions - Revision in payment of remuneration by way of commission to Mr. P S Jayakumar as Non-Executive Independent Director and Chairperson of the company.

Item number 9: Special Resolutions - Revision in the terms of managerial remuneration of Mr. Ashish Mehrotra, Managing Director and Chief Executive Officer of the Company.

Detailed text of the resolutions and explanatory statement has already been provided in the notice of the Annual General Meeting. As the remote e-voting has already taken place, the requirement of proposing and seconding of the resolution at this meeting is not applicable. Thank you. Over to Chairman.

P S Jayakumar:

Before I proceed to take up the Q&A session, I would request the registered speaker shareholders to kindly note the following. I request the speakers to mention their name, folio number, or DEMAT account number and the location from where they have joined the meeting. In the interest of efficient time management, kindly make your questions brief. To avoid repetition of answers to similar questions asked by different members answers to all queries will be replied at the end. Company reserves the right to move to the next speaker after due reminders in the event of expressing out-of-context views and continuing the speech after reasonable time.

I now call upon the moderator to facilitate the Q&A discussions.

Moderator:

Thank you very much. Now, you will go live with the Q&A. Before we go live with the Q&A session, here are some points to note for your convenience. Members are requested to keep their

questions brief and specific. We request you to please unmute your audio and turn on your video and proceed with your question. Our first speaker shareholder is Bimal Kumar Agarwal. Kindly accept the prompt, unmute your audio, turn on your video, and proceed with your question.

Bimal Kumar Agarwal: Hello, can you hear me?

Moderator: Yes, sir. We can hear you. Go ahead.

Bimal Kumar Agarwal: Thank you. Good morning to you all. Good afternoon, Good evening, and Good night to other shareholders and other Directors who have joined from different parts of the world. Our Chairman has given a beautiful picture of the company. There are no questions to be asked. And I have already supported all the resolutions for the same. So please continue the video conference in the future so people from all over the world can join. My name is Bimal Kumar Agarwal, and my client ID is 120-323-000-350-2453. That is all from me. Thank you very much.

P S Jayakumar: Thank you very much.

Moderator: Thank you. Our next speaker shareholder is Aamir Ali Laklawala. Kindly join as panelists, unmute your audio and video, and proceed with your question.

Aamir Ali Laklawala: Am I audible?

Moderator: Yes, sir. Go ahead.

Aamir Ali Laklawala: Thank you. Respected Chairman, Board of Directors, Company Secretary, and my fellow shareholders. Good day to all. Myself, Aamir Ali Laklawala from Mumbai. First of all, I sincerely thank our Company Secretary for allowing me to speak today, sharing the AGM report well on time, and for arranging this meeting through video conference, which has made it smooth and convenient for all of us to connect. I would like to appreciate the Chairman, Board, and Management for the strong performance in 24-25, where the company achieved 24% revenue growth and 16% growth in asset under management, reflecting well-planned expansion. It also delivered amazing 46% rise in operating profit, while maintaining health as healthy asset quality with gross NPA at 0.9% and net NPA at 0.4%, supporting by a solid capital reserve of nearly 25%. This milestone clearly highlights the company's strong fundamental disciplined approach and sound strategy. Sir, I have only one question to ask about the next 3-year plan. I congratulate the entire team and wish Northern Arc continued success in the upcoming quarter, along with my warm festive greetings to all. Thanks all from my side. Thank you.

Moderator: Thank you very much. Our next speaker shareholder is Manjeet Singh. Kindly join as panelists, unmute your audio and video and proceed with your question. Manjeet Singh, kindly unmute your audio, turn on your video, and proceed with your question. Go ahead, sir. You are audible.

Manjeet Singh: Am I audible?

Moderator: Yes, sir.

Manjeet Singh: Northern Arc's Management Team, secretarial team, and my co-shareholder, I welcome you all. Sir, good afternoon. **Manjeet Singh:** Sir, we wish that company progresses in the future and the way you have given the June quarter results after the listing where our sales have improved by 5% so we expect from you that in coming three quarters our sales will keep on increasing just like this and our earnings per share also will also stand good. Although you have told a lot about the company in your speech but please tell us what are the plans of growth in coming three quarters, if you will tell us about this then we will get the information about the company in detail. Sir, I want to congratulate you, our reserves and surplus have reached Rs. 3247.39 crore as compared to Rs. 2078.32 crore last year, and we expect from you that our company may progress just like this. Sir, I want to know how many employees have joined us this year. How many new cities and states have we added and covered? And from which branches we are able to generate business after listing. Please throw some color on the same. That speech will remain incomplete if we do not mention our secretarial department whose hard work and dedication enable us to join you in the AGM and are able to talk smoothly with you. Our company is listed with BSE and NSE and our BSE code that is 544260 and our symbol that is NORTHERN ARC, giving all the due respect **our** secretarial department made a well-in-time balance sheet and introduced us to the Board, for this I want to congratulate CA Sahib. We hope and pray to god that company progresses more. From morning to afternoon the way we enjoyed a lot with Northern Arc, today was the day of Northern Arc and we hope from you that company keeps progressing like this in future. Thank you for the management team. Thank you for the Secretarial team. Thank you, sir.

P S Jayakumar: Thank you.

Moderator: Thank you, sir. Thank you very much. Our next speaker shareholder is Sarwajit Singh. Kindly join as panelists, unmute your audio, turn on your video, and proceed with your question. Sarwajit Singh, kindly go ahead.

Sarwajit Singh: Hello, Chairman, sir. Can you hear my voice?

P S Jayakumar: Yes, sir, we can hear you. Go ahead.

Sarwajit Singh: Chairman, sir, first of all, good morning to you, all the Board of Directors, all the staff of Northern Arc Limited, and my co-fellow shareholder. Chairman Sir, first of all the way you explained about the company to us in your opening remarks it gives us the clear vision that our coming future is a bright future. And the way you all have given us return from time to time is really commendable and sir you and your team's hard work is clearly visible. And Chairman sir

foreign investors have also showed a lot of trust in our company. Foreign investors have increased their shareholdings by 9.16%. The trust that is being bestowed by foreign investors in our company, sir please tell us what kind of achievements we will get after foreign investors trust that we are getting? Chairman Sir, the way you all are working hard I am rest assured that our coming future is a bright future. Sir, please tell us what will be our roadmap for next twenty four months? And sir the way your CS sir and moderator has given us a chance to speak in front of you and we all spoke frequently in front of you, thank you so much for that. Thank you, sir. Thank you so much for giving me a chance.

Moderator: Thank you very much. Our next speaker shareholder is Mr. Manish Sagar and Mrs. Karuna Sagar. Registered, however, has not joined the meeting. With this, we have completed the Q&A session. Over to you, Chairman.

P S Jayakumar: Thank you, shareholders. We really appreciate your interest and continued commitment to the company. We very much value your feedback in the management. We will consider your suggestion and its feasibility for the benefit of the organization. I now request MD and CEO to respond to the queries of the shareholders. Thank you.

Ashish Mehrotra: Thank you, Mr. Chairman. Thank you to all the speaker shareholders for taking the time out to be here with us and for asking your questions. Mr. Bimal Agarwal, Mr. Laklawala, Mr. Manjeet Singh and Mr. Sarwajit Singh, thank you very much for your insights and motivation. It really helps us stay focused in our journey.

I think two specific questions, which is around this year growth and the forward year 3-year growth, I would like to take, which were the two specific questions which were raised. I think this year, as we are looking at it, and you looked at our quarter 1 results, we are pretty confident of clocking anywhere between 18%-20% growth. We believe that the environment from the H2 should improve significantly, and that is keeping us aligned.

On a forward-looking 3-year basis, I think we are very focused in expanding our direct to customer business, taking it from current 52%-53% of our mix to almost close to 70% over the next 3 years. With that, we will be able to get to between 20%-25% growth in our assets under management. At the same time, stay very sharply focused towards building a free franchise, giving us a unique advantage over the rest of the other non-bank finance companies. I think with that, we should get closer to forward return on assets, and that is the strategic posture we have, and that is the position towards we are working. And we would like to thank all of you for your support.

Mr. Chairman, over to you.



*Northern Arc Capital Limited
August 25, 2025*

P S Jayakumar:

Thank you, Ashish, for your detailed response to the issues raised by the shareholders. You have addressed all the questions almost. Thank you. Thanks to the shareholders for joining us today through the VC. As already mentioned, I request the shareholders who have not voted already, through e-voting, may cast their vote in the NSE platform. E-voting facility in the AGM will be available up to 15 minutes from the conclusion of the meeting. I declare that the 17th Annual General Meeting of the Company as concluded.

Moderator:

Thank you very much.