

Sector Trends – Vehicle Finance NBFCs

Based on FY25 Information



Disclaimer:

The information contained in this presentation (“Presentation”) is for general informational purposes only. Northern Arc Capital Limited (“Northern Arc”) does not make any warranties about the completeness, reliability, and accuracy of this information. Any action you take upon the information contained in this Presentation is strictly at your own risk, and Northern Arc will not be liable for any losses and damages in connection with the use of our Presentation.

The data included in this Presentation has been obtained from sources that are believed to be reliable and accurate at the time of publication. However, Northern Arc does not guarantee the accuracy or completeness of any information, nor does it assume any responsibility or liability for any errors or omissions therein. Any opinions expressed herein are subject to change without notice and Northern Arc is under no obligation to update or keep current the information contained in this Presentation.

This Presentation is not intended to constitute, and should not be construed as, investment advice or a recommendation to purchase, sell, or hold any security or to engage in any investment strategy or transaction or take or avoid exposure to any sector. Readers should not rely solely on the information provided in this Presentation for making investment decisions and should conduct their own due diligence or seek the advice of a qualified professional.

The content of this Presentation is for informational purposes only and is not a solicitation or an offer to buy or sell any securities or financial instruments. Northern Arc is not responsible for any investment decisions made by the recipients of this Presentation. Readers should take independent financial advice from a qualified professional in connection with, or independently research and verify, any information that is provided in this Presentation and wish to rely upon, whether for the purpose of making an investment decision or otherwise.

Northern Arc and its affiliates, directors, employees, and agents expressly disclaim any and all liability for any direct or indirect losses, damages, or expenses of any kind arising out of or relating to the use of this Presentation, including but not limited to, any losses related to the accuracy, completeness, timeliness, or reliability of such information.

This Presentation may contain forward-looking statements that are based on current expectations, estimates, forecasts, and projections about the markets in which Northern Arc operates, as well as management’s beliefs and assumptions. Forward-looking statements are not guarantees of future performance and involve certain risks and uncertainties, which are difficult to predict. Past performance is not indicative of future results.

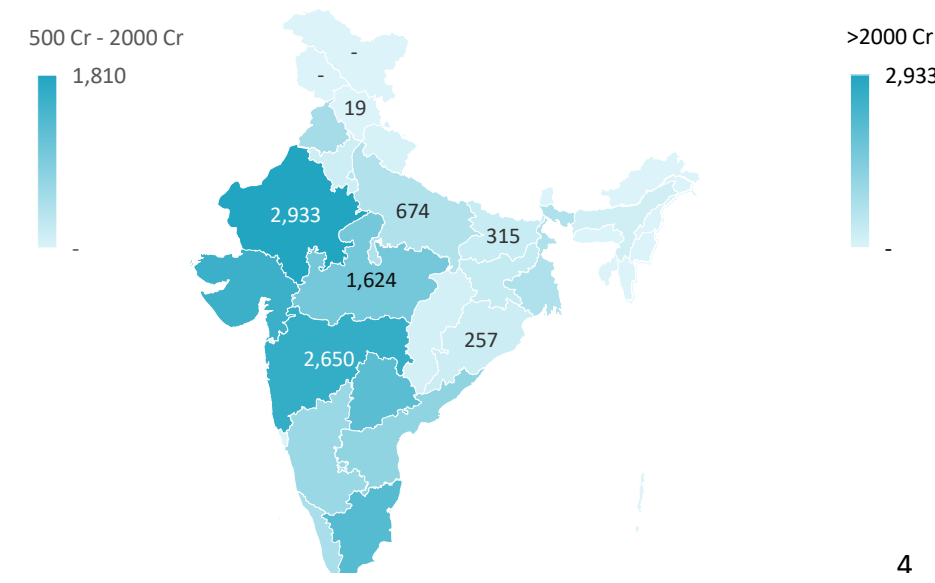
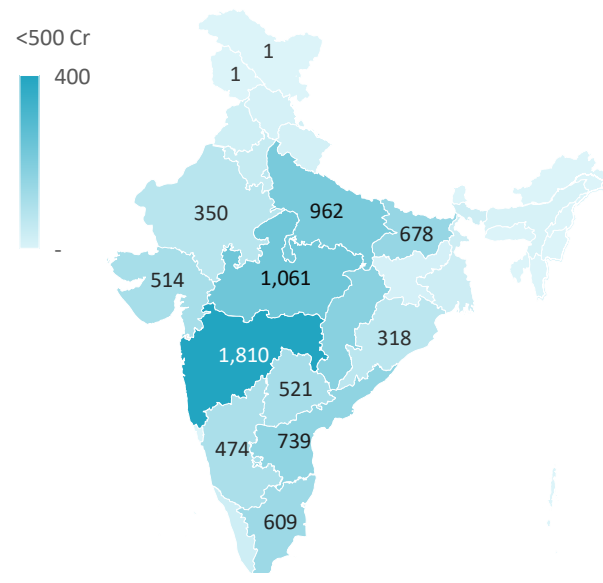
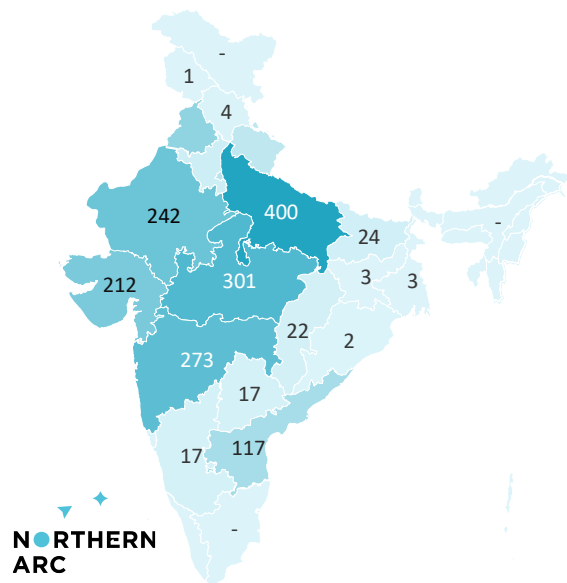
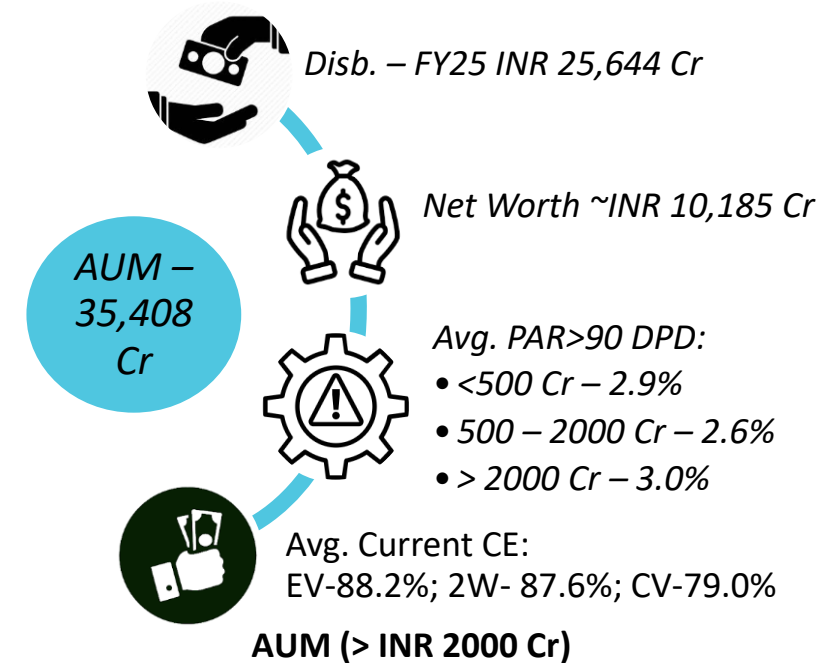
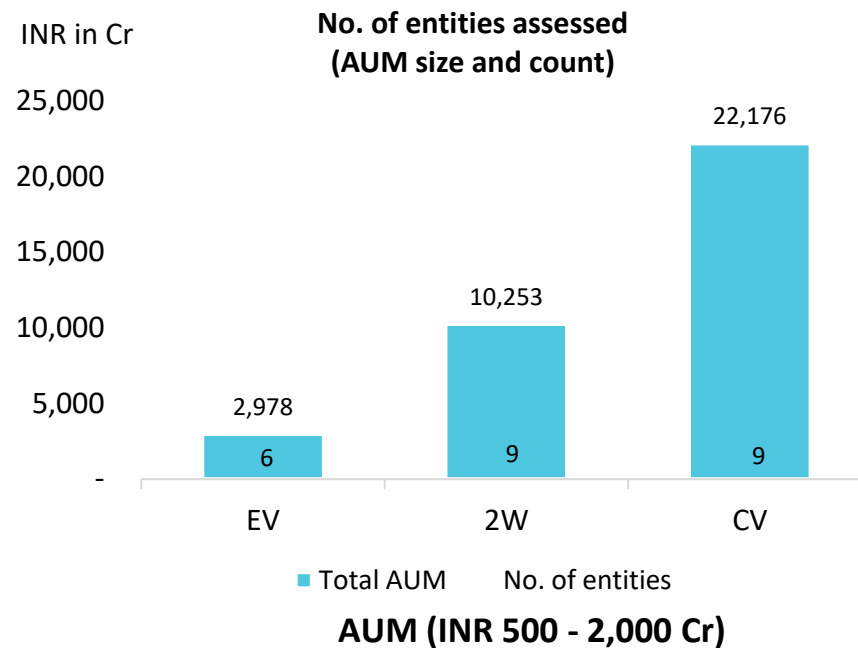
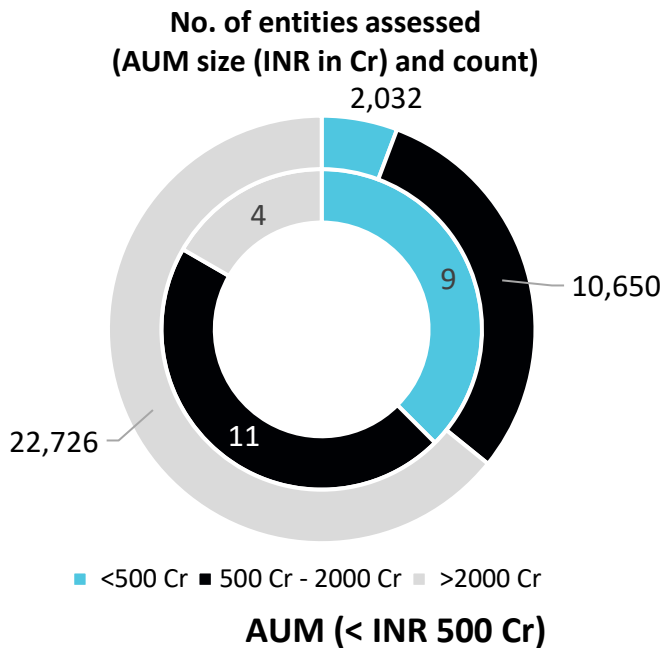
This Presentation is limited to the recipients who have received it and is not for further circulation. Any distribution, modification, reproduction, or disclosure of the contents of this Presentation, in whole or in part, without the prior written consent of Northern Arc, is strictly prohibited.

Table of Contents

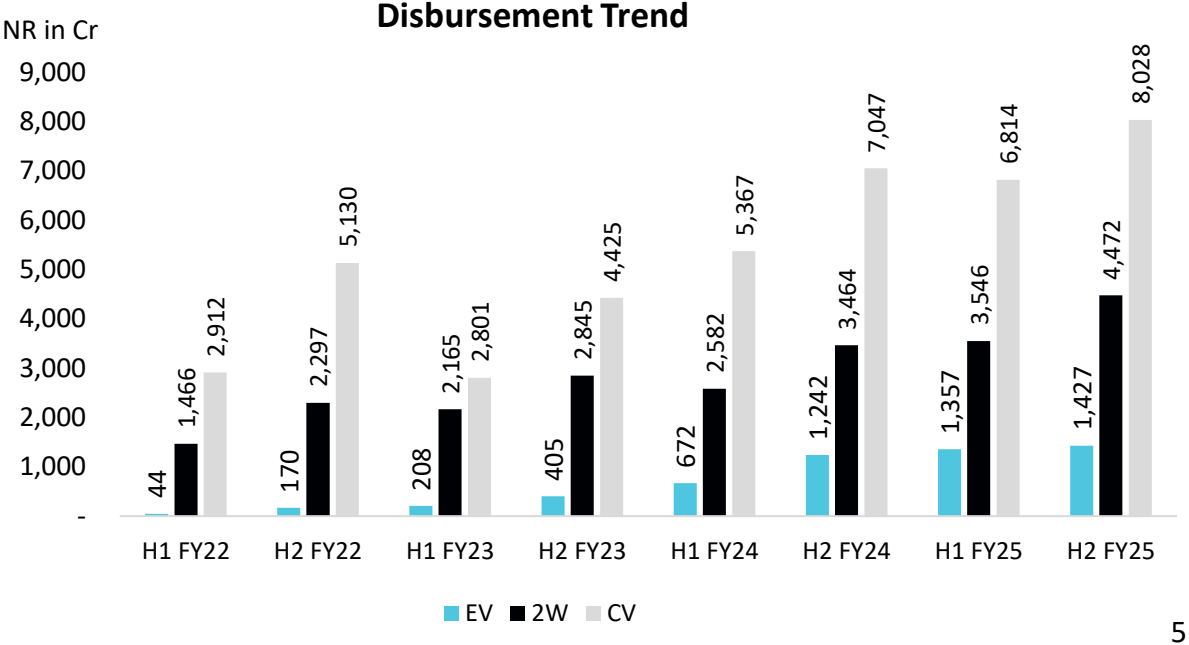
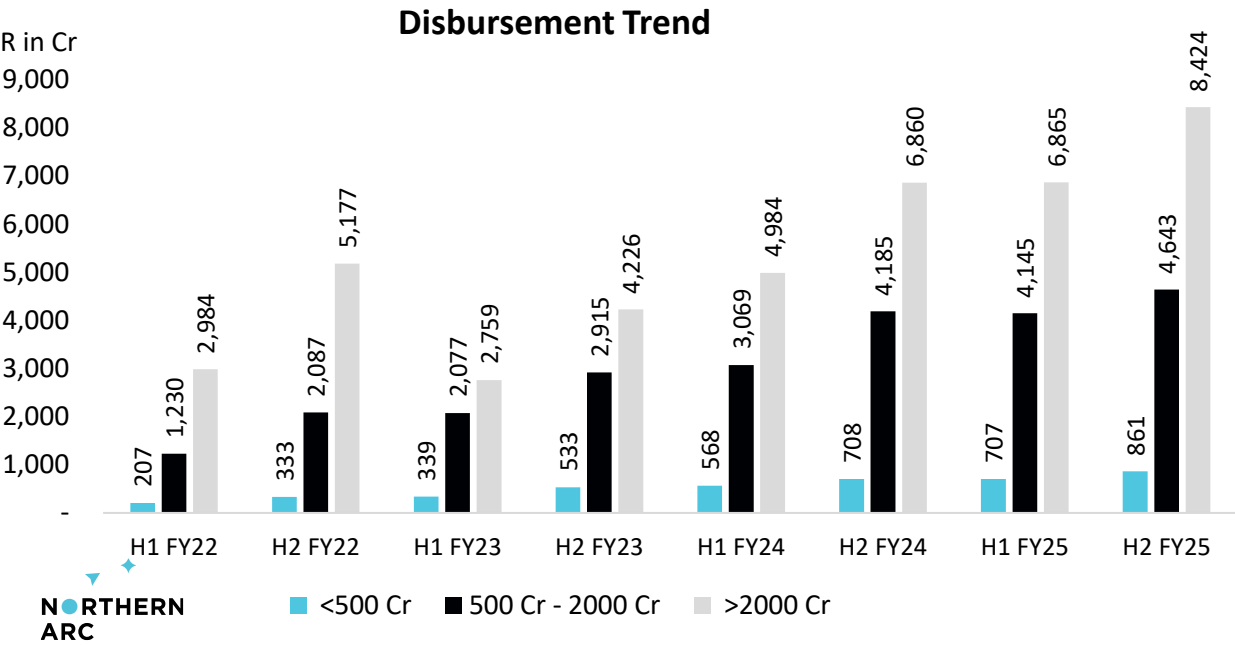
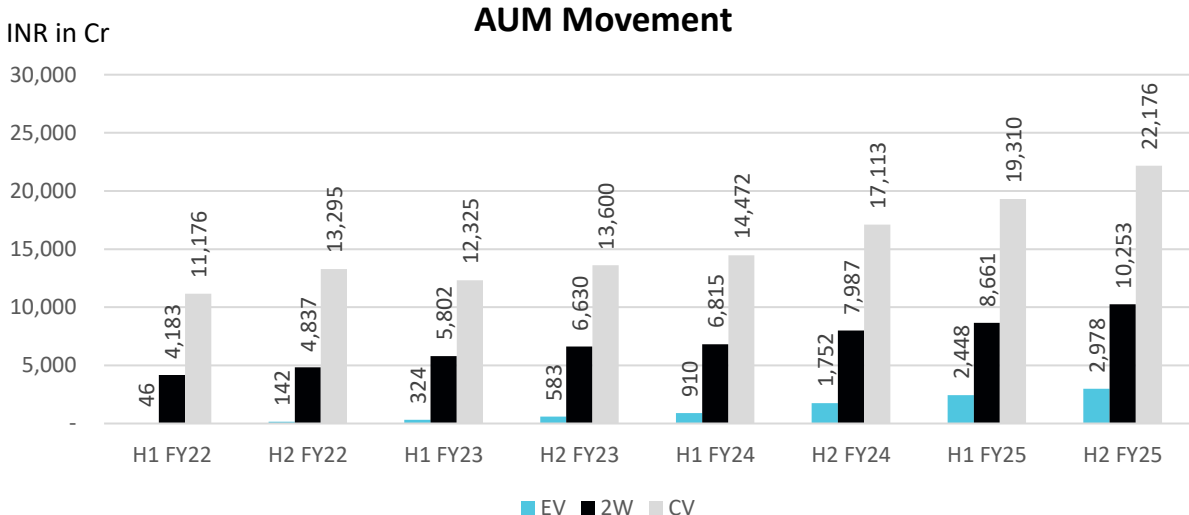
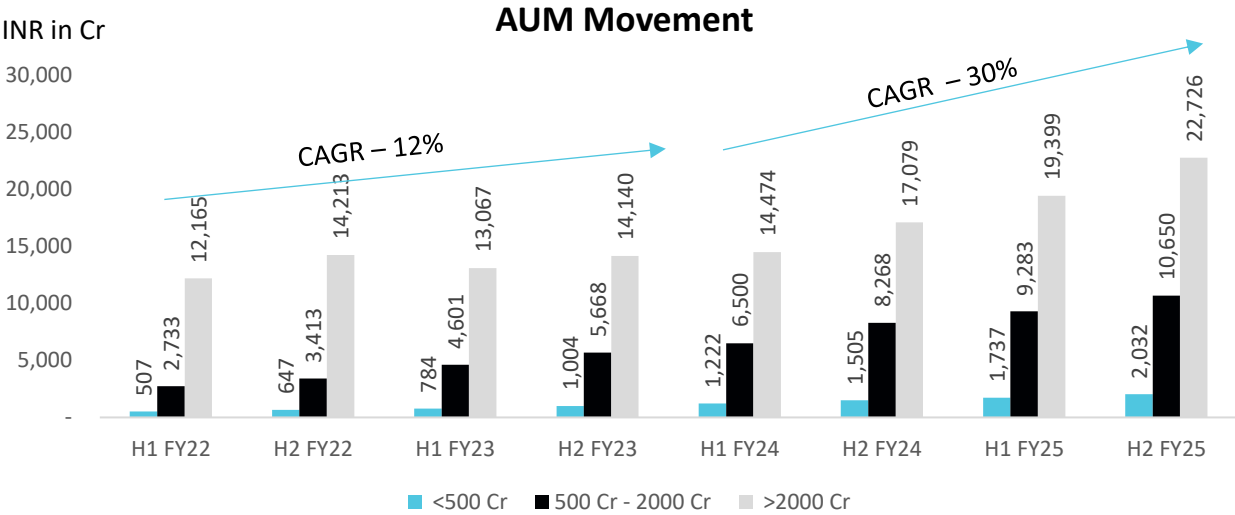


Content	Slide No.
Northern Arc's Vehicle Finance NBFC Partners: Overview	4
- Portfolio Analysis	5-8
- Financial Analysis	9-11
Capital Position & Equity Infusion Trends	12-14
Leverage & Liquidity Position	15
Debt Raise Trends	16-17
Electric Vehicle Industry: Overview	18-19
Government Policies and Initiatives	20
Definitions and Abbreviations	21

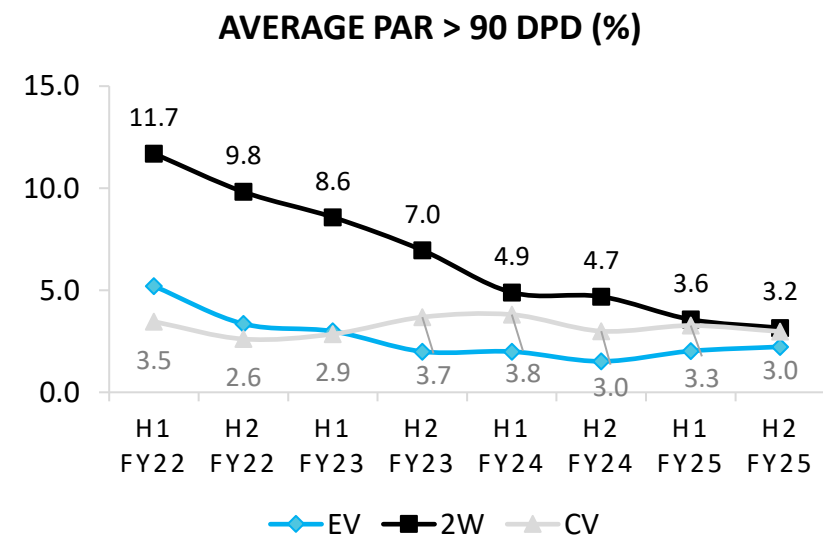
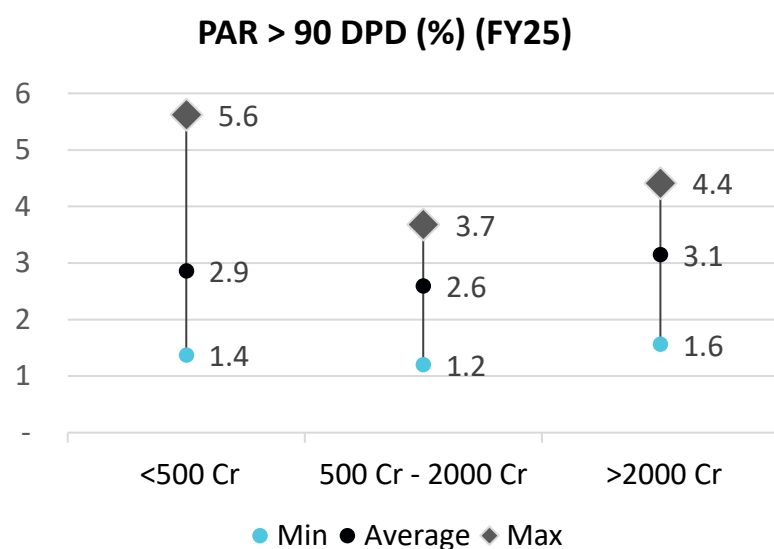
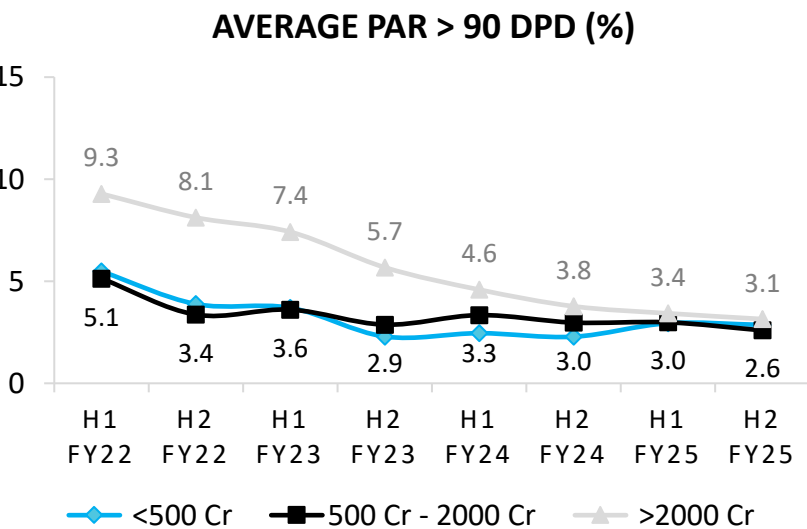
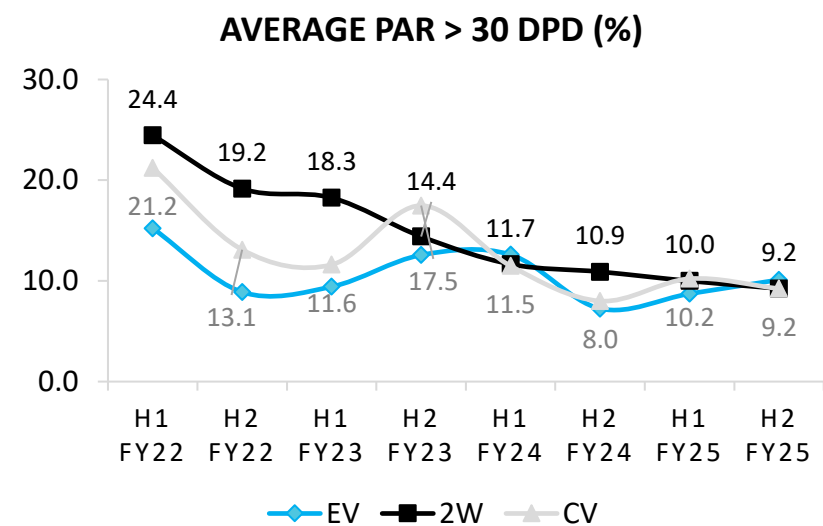
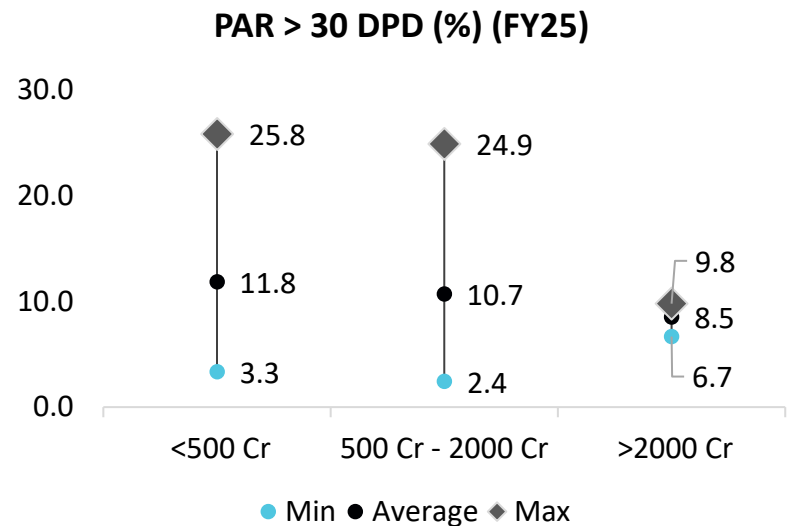
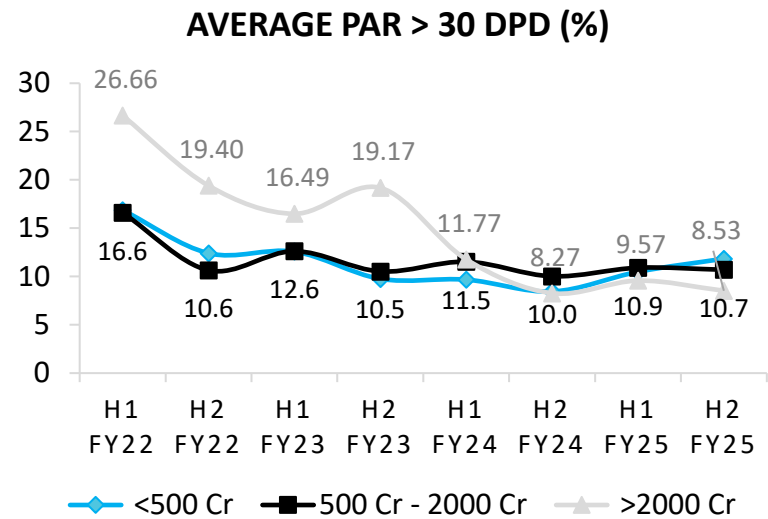
A Snapshot - Northern Arc's Vehicle Finance NBFC Partners as at Mar-25



AUM Movement and Disbursement Trend

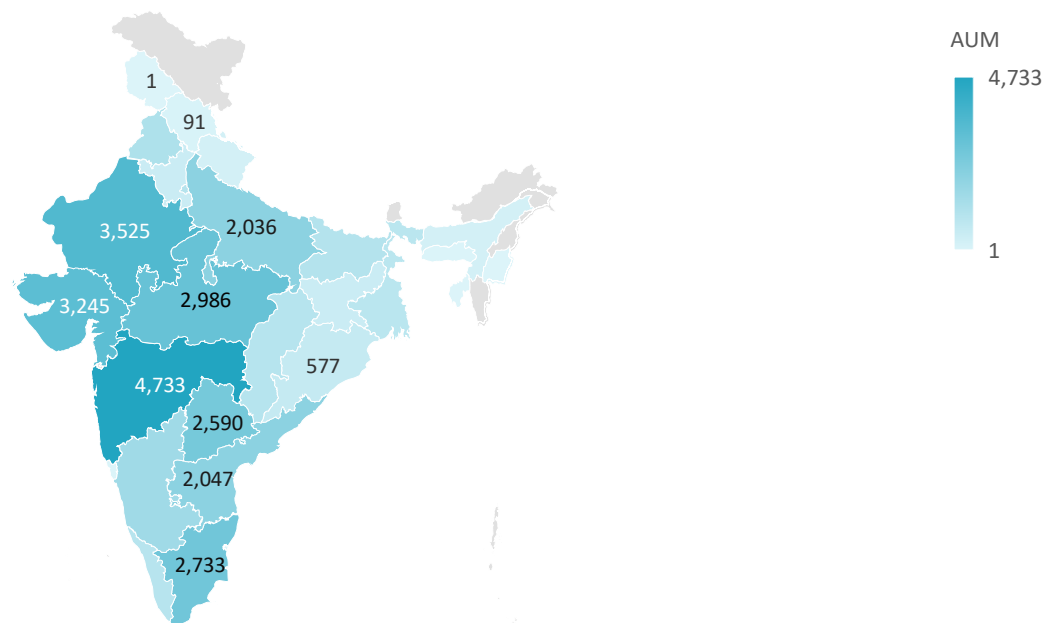


Asset Quality Trends

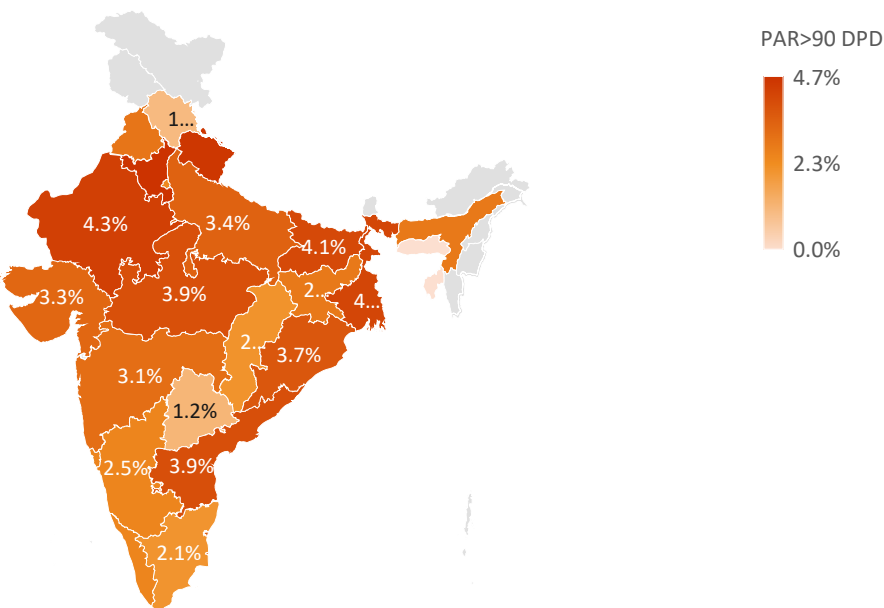


State-wise Portfolio Performance

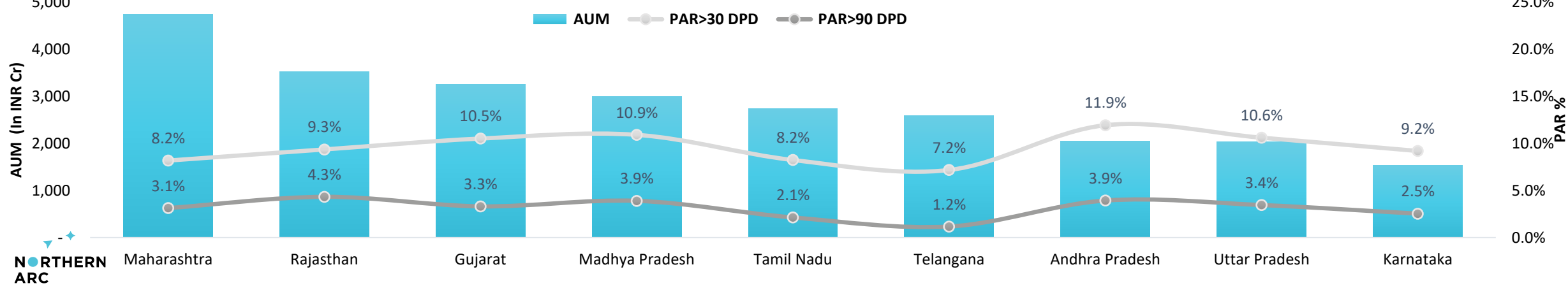
State-wise AUM as of Mar-25 (INR in Cr)



State-wise PAR>90 DPD as of Mar-25 (%)



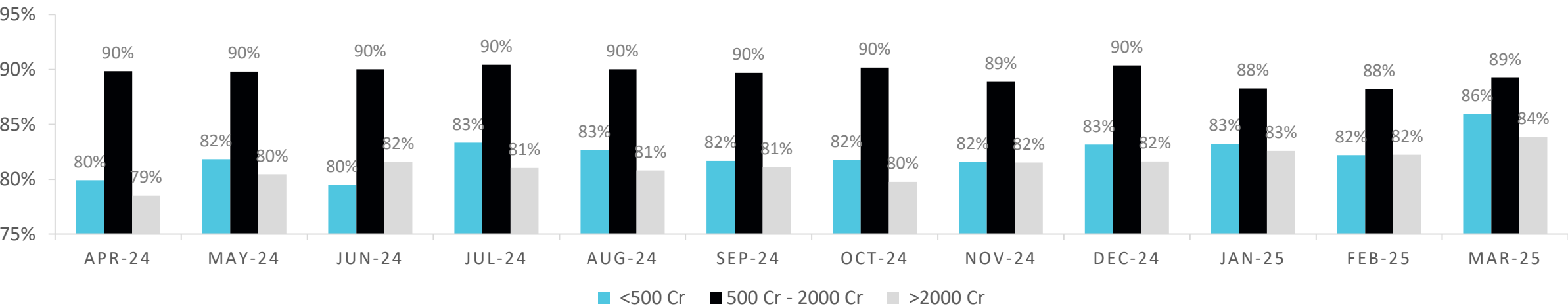
State level POS concentration and PAR – Mar-25



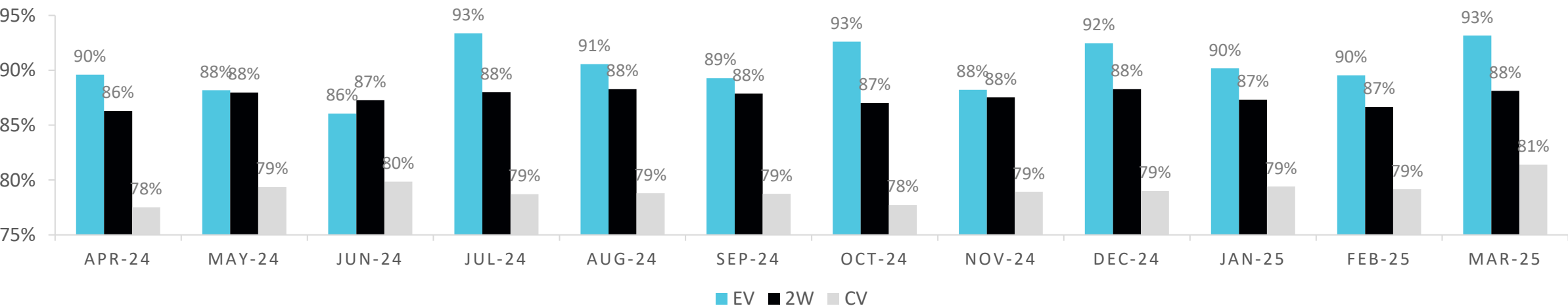
Collection Efficiency Trends



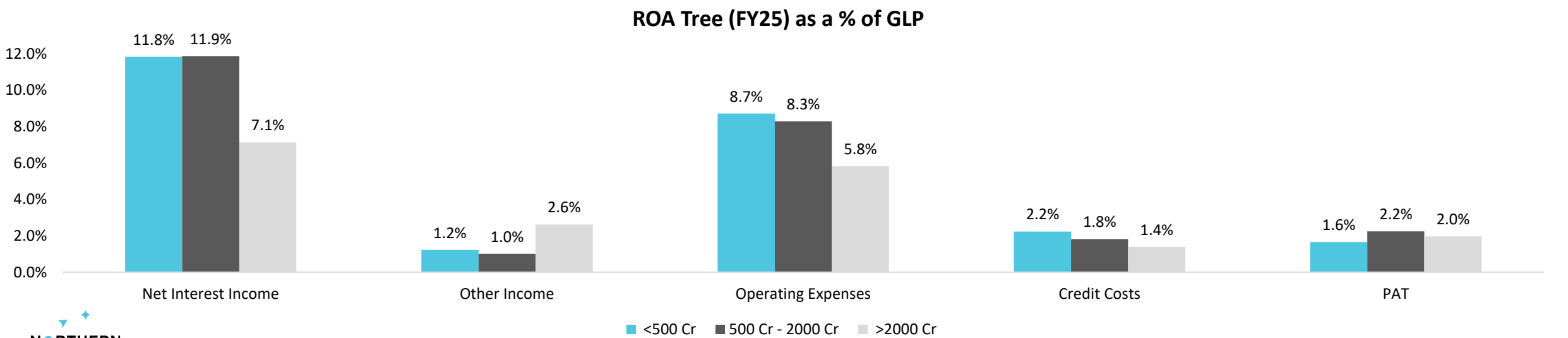
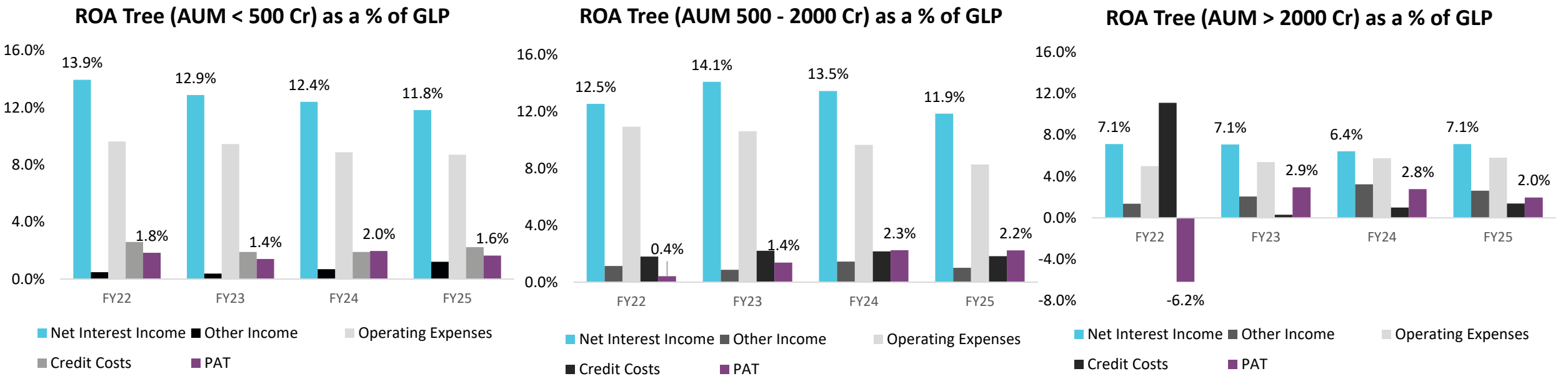
Current Collection Efficiency %



Current Collection Efficiency %



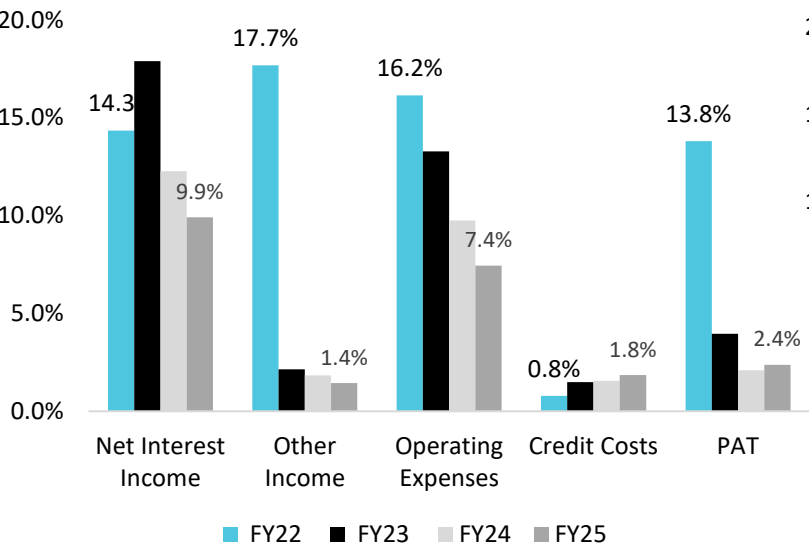
Return on Asset (ROA) Trends: AUM Size-Wise



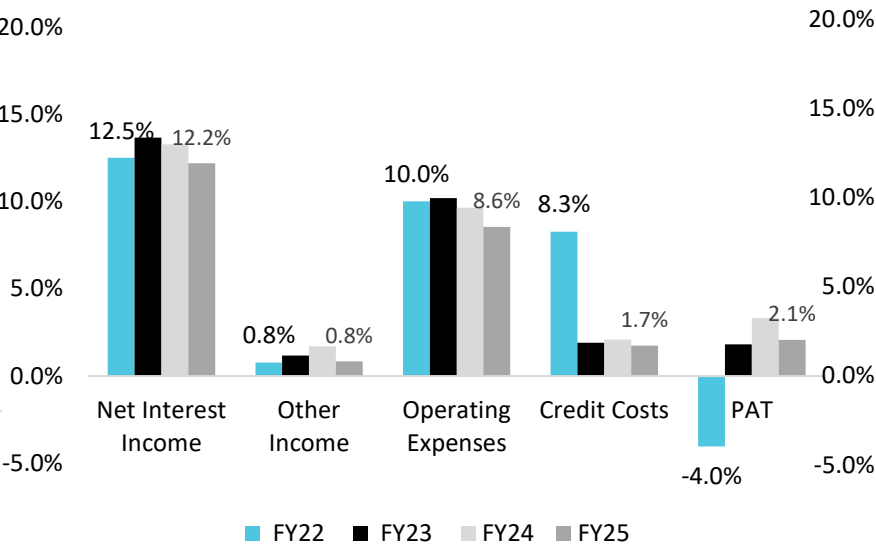
Return on Asset (ROA) Trends: Product-Wise



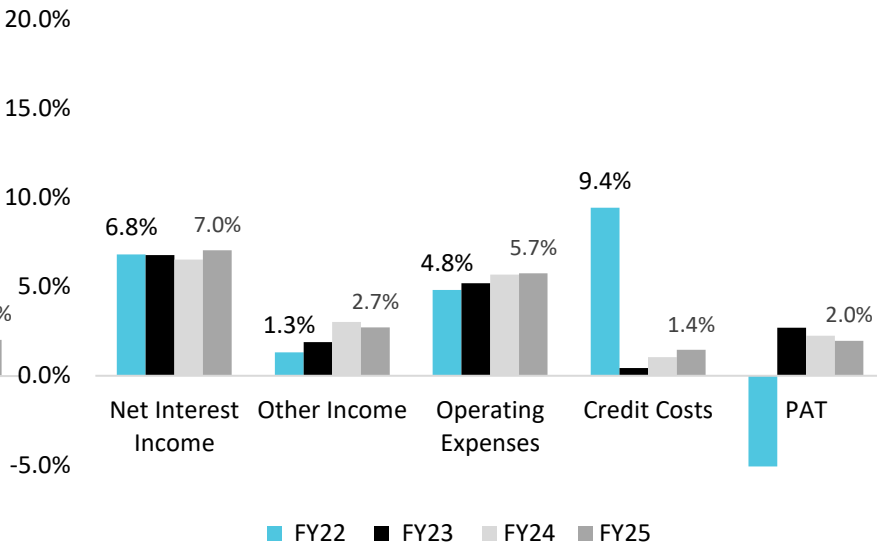
ROA Tree (EV) as a % of GLP



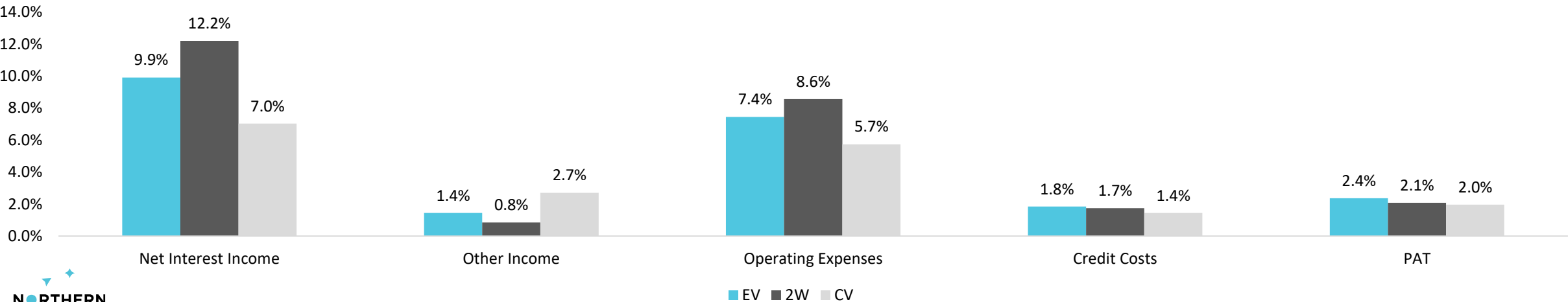
ROA Tree (2W) as a % of GLP



ROA Tree (CV) as a % of GLP

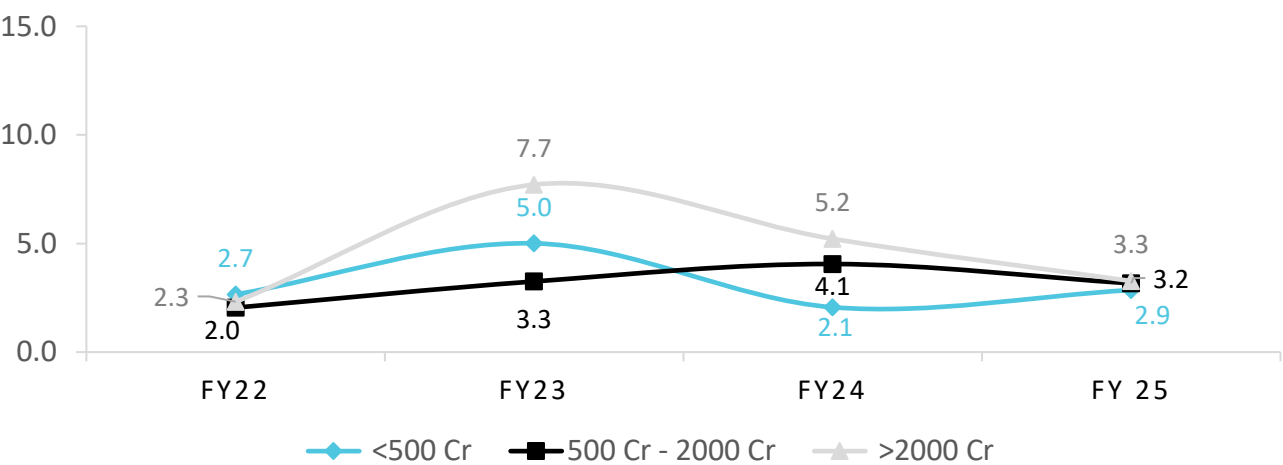


ROA Tree (FY25) as a % of GLP

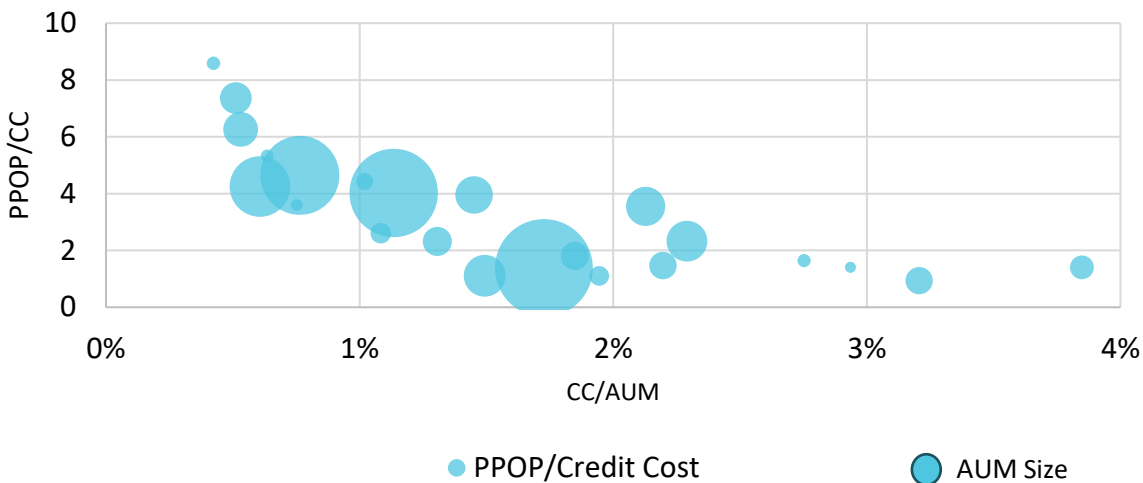


Profitability Buffer (PPOP/Credit Cost) and Provisioning (LLP/AUM) Trends

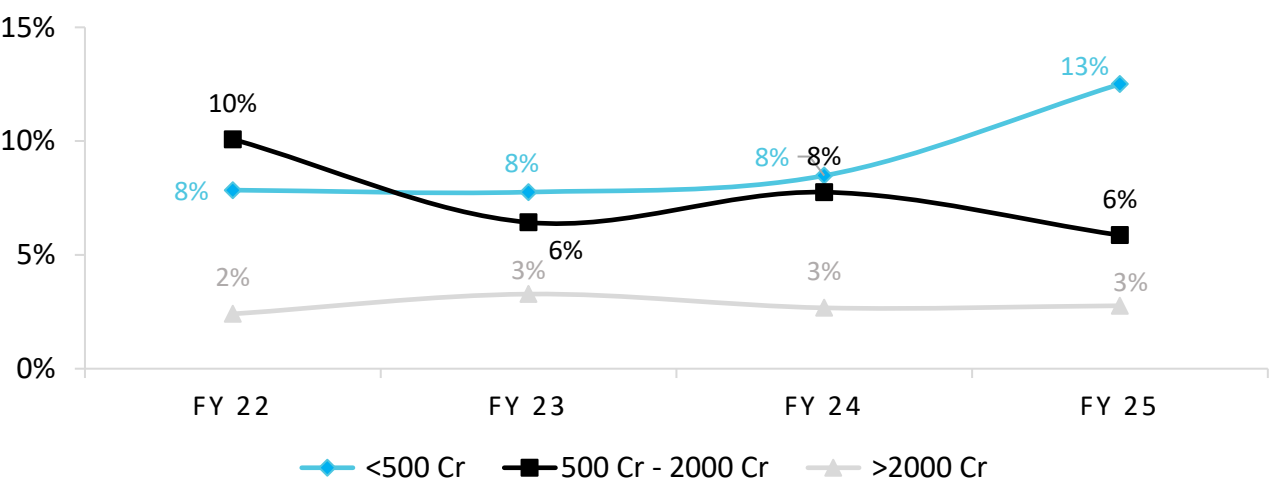
PPOP / Credit Cost (X)



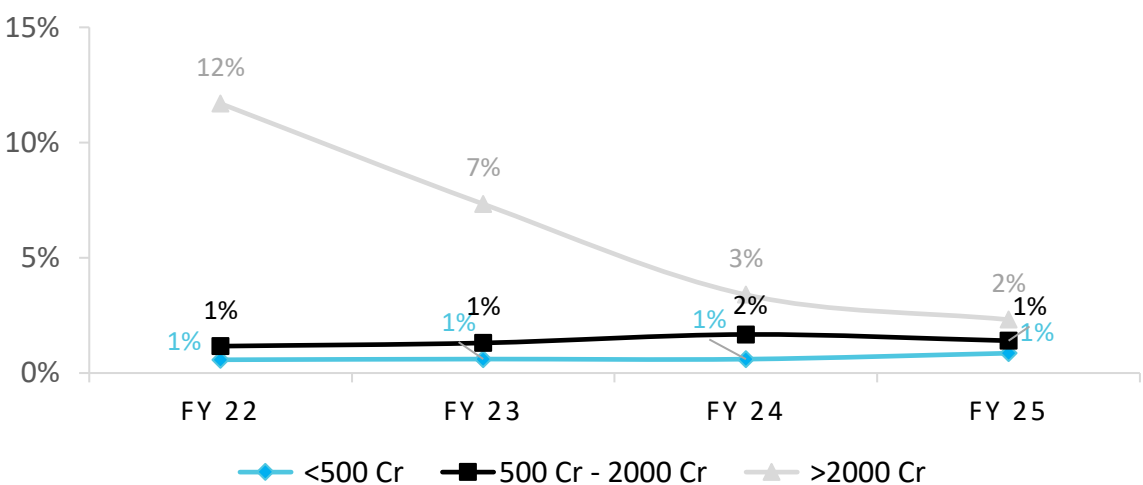
PPOP / Credit Cost



PAR>90-LLP/NW

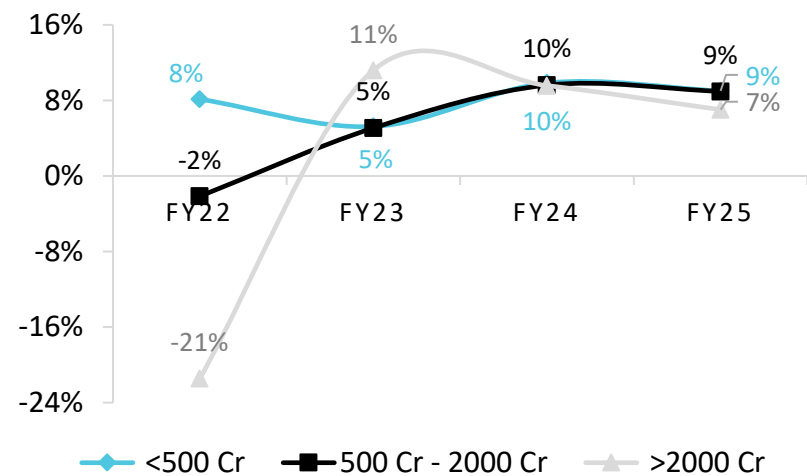


LLP/AUM

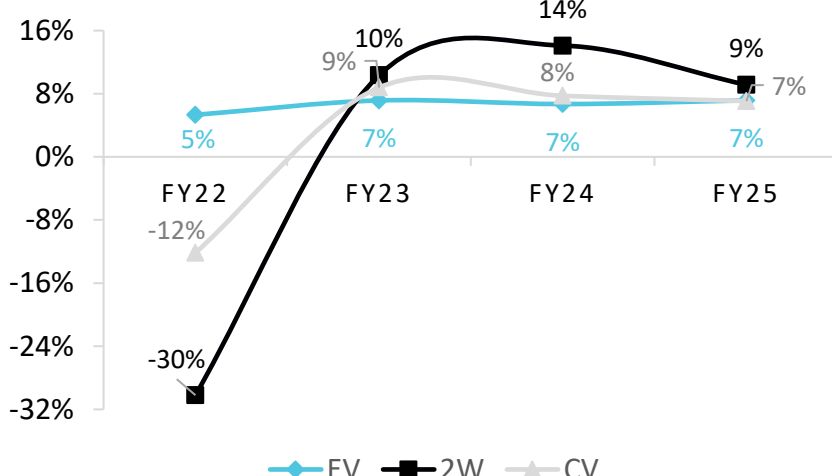


Equity and Capitalization Trends

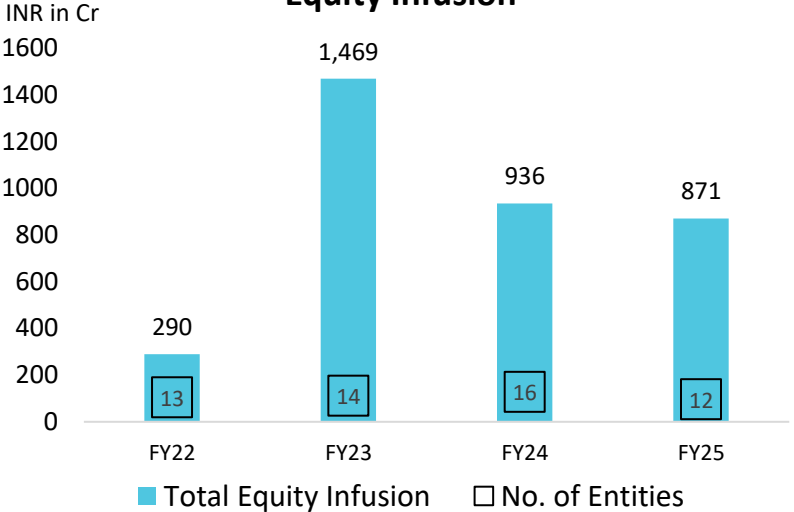
Return on Equity %



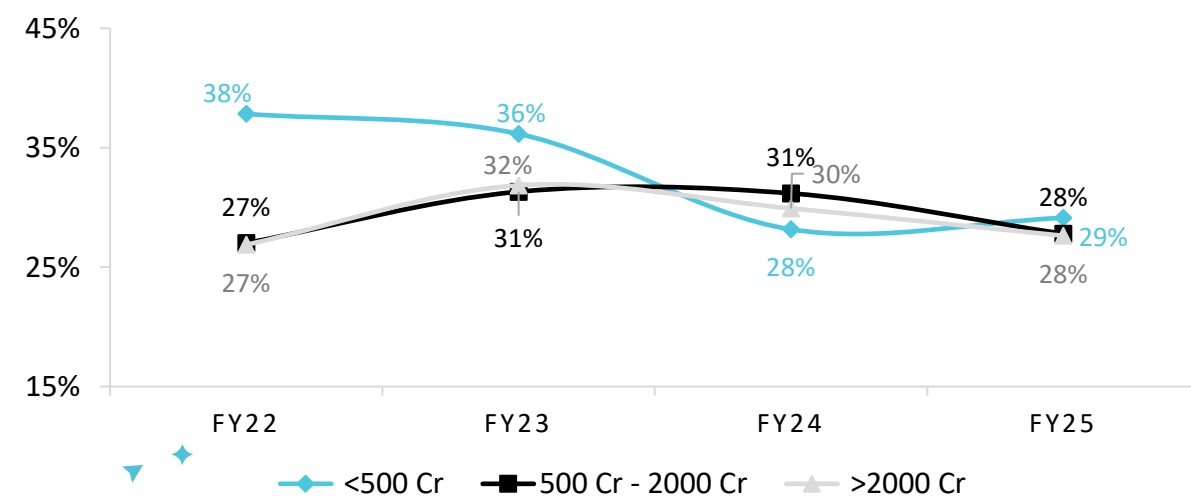
Return on Equity %



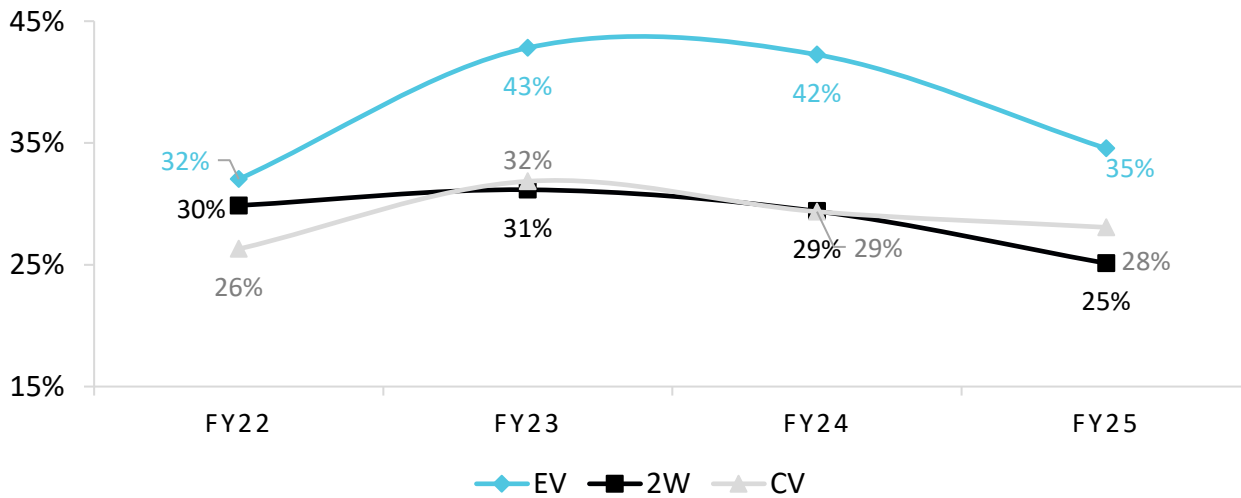
Equity Infusion



CRAR %



CRAR %



Equity Infusion and Rating Migration since FY22

Major Institutional Equity Infusion (INR in Cr)					Rating Migration				
Entity	FY22	FY23	FY24	FY25	Rating Agency	FY22	FY23	FY24	FY25
ENTITY 1	-	399	3	618	ICRA	A-	A	A	A+
					CARE	A-	A	A	A+
ENTITY 2	7	255	111	-	CARE	A	A	A	A+
ENTITY 3	-	-	50	26	ICRA	-	-	BBB+	BBB+
					CARE	BBB	BBB	BBB	BBB+
					CRISIL	BBB	BBB	BBB	BBB+
ENTITY 4	-	-	21	18	ICRA	BB+	BB+	BB+	BBB-
ENTITY 5	97	-	-	-	ICRA	BBB	BBB	BBB	BBB
					CARE	-	BBB+	BBB	BBB
ENTITY 6	34	-	24	0.3	ACUITE	-	BBB+	BB+	BB+
					CRISIL	-	-	-	BBB-
ENTITY 7	15	-	7	3	ICRA	-	BBB-	BBB-	BBB-
ENTITY 8	-	-	-	133	CARE	BBB+	BBB+	BBB+	BBB+
					ACUITE	A-	A-	A-	A-
ENTITY 9	23	215	-	1	CRISIL	BBB	BBB	BBB	BBB
					ICRA	-	BBB	BBB	BBB
ENTITY 10	-	145	36	-	CARE	AA-	AA-	AA-	AA-
					CRISIL	AA-	AA-	AA-	AA-
ENTITY 11	9	28	99	-	IVR	-	-	-	BBB-
ENTITY 12	3	-	17	33	Unrated				

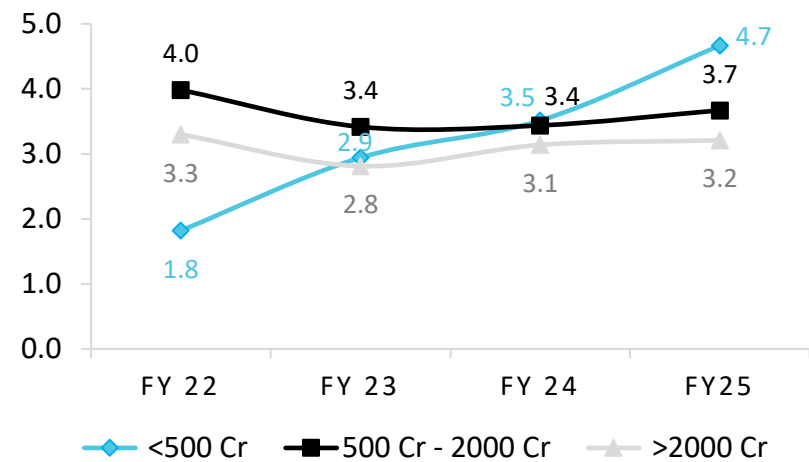
Equity Infusion and Rating Migration since FY22



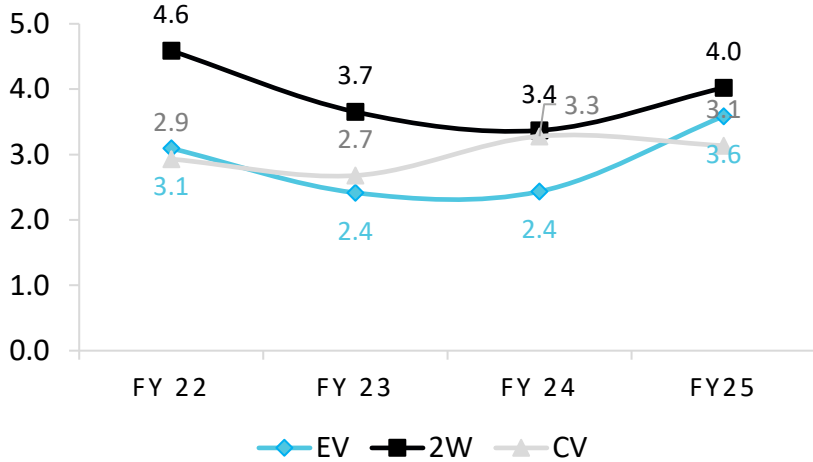
Major Institutional Equity Infusion (INR in Cr)					Rating Migration				
Entity	FY22	FY23	FY24	FY25	Rating Agency	FY22	FY23	FY24	FY25
ENTITY 13	73	43	65	8	ACUITE	BBB	BBB	BBB+	A-
ENTITY 14	-	270	201	-	CRISIL	-	-	BBB+	BBB+
ENTITY 15	7.144	255.0683	111.21	-	CARE	BBB	BBB	BBB	BBB
ENTITY 16	-	-	-	1.79	CARE	BB+	BB+	BB+	BB+
					Infomerics	-	-	BBB-	BBB-
ENTITY 17	2	8.13	12.63	14.73	CARE	BBB	BBB	BBB	BBB
					CRISIL	BBB	BBB	BBB	BBB
ENTITY 18	-	-	-	-	CRISIL	A+	A+	A+	A+
ENTITY 19	3.5	5.71	8.45	6.73	CARE	BB+	BB+	BB+	BB+
					Infomerics	-	-		BBB-
ENTITY 20	-	-	-	-	CRISIL	-	BBB-	BBB-	BBB-
					Infomerics	BBB	BBB	BBB	BBB
ENTITY 21		5	4	10	Infomerics	-	-	-	BBB-
ENTITY 22		4.97	15.11		CRISIL	-	BBB-	BBB-	BBB-
ENTITY 23	18	19.18	12		ACUITE	A-	A-	A-	A-
ENTITY 24	-	-	-	-	Unrated				

Leverage and Liquidity Trends

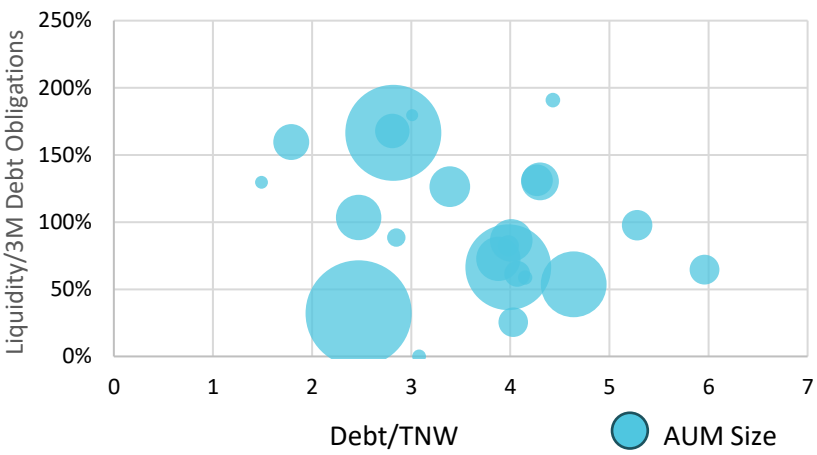
Debt / TNW



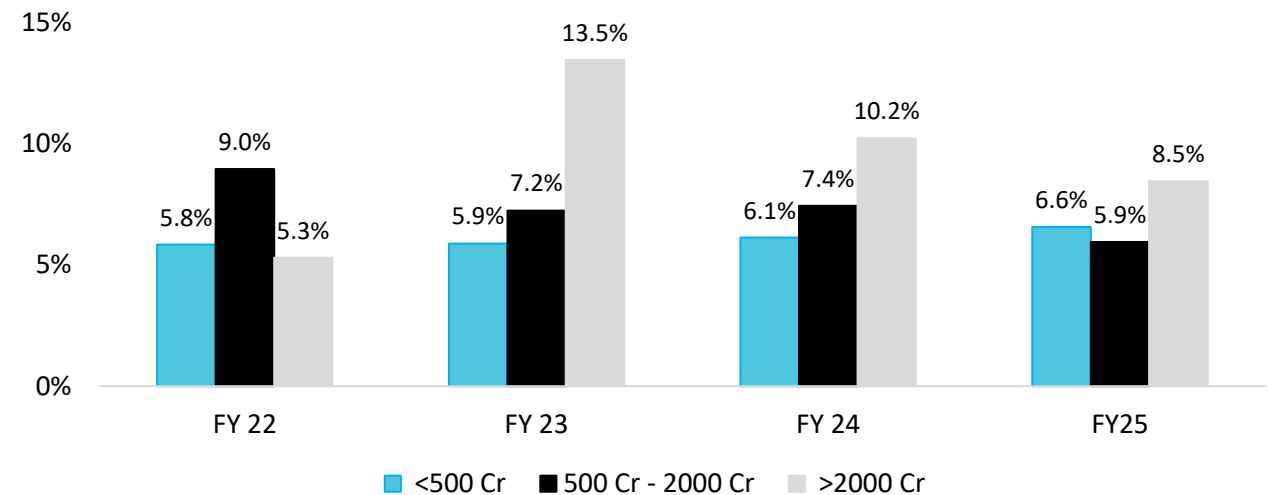
Debt / TNW



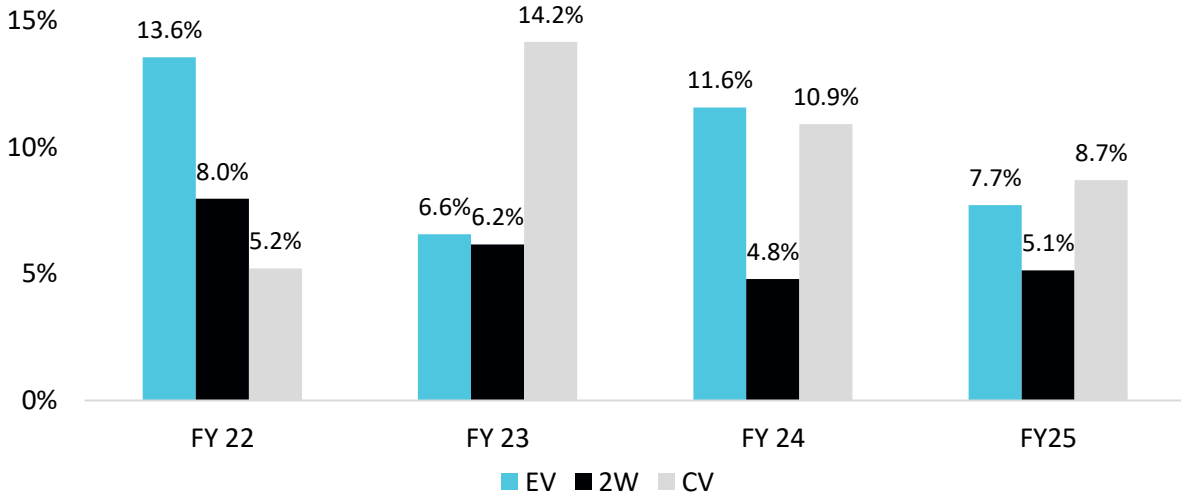
Liquidity / 3M Debt Obligations



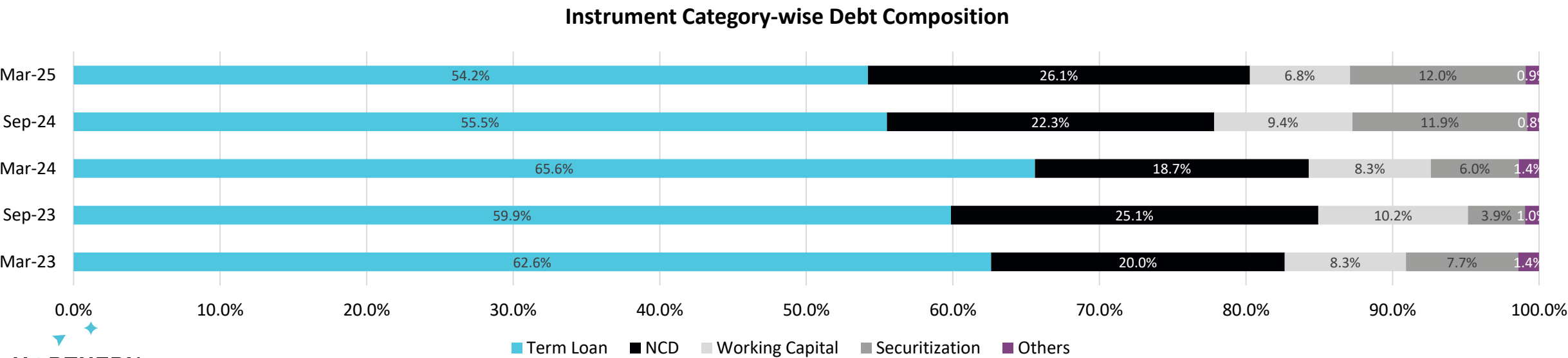
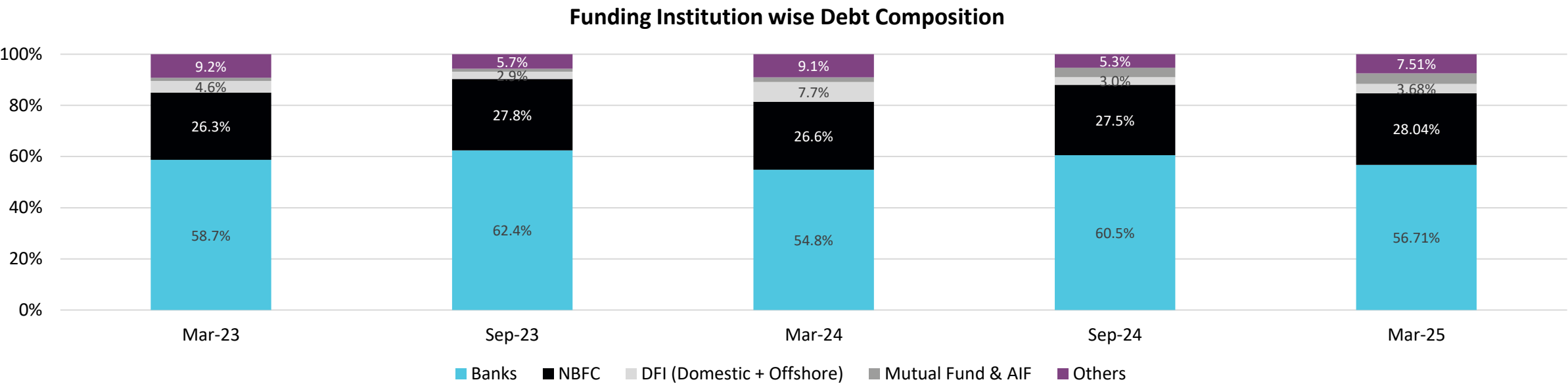
Free Cash & Liquid Assets / Total Assets



Free Cash & Liquid Assets / Total Assets

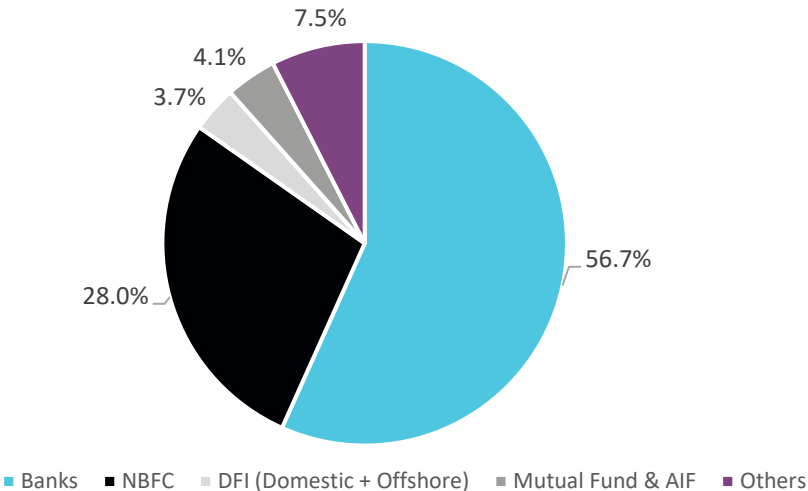


Debt Composition – Funding Institution and Instrument Wise Break-up

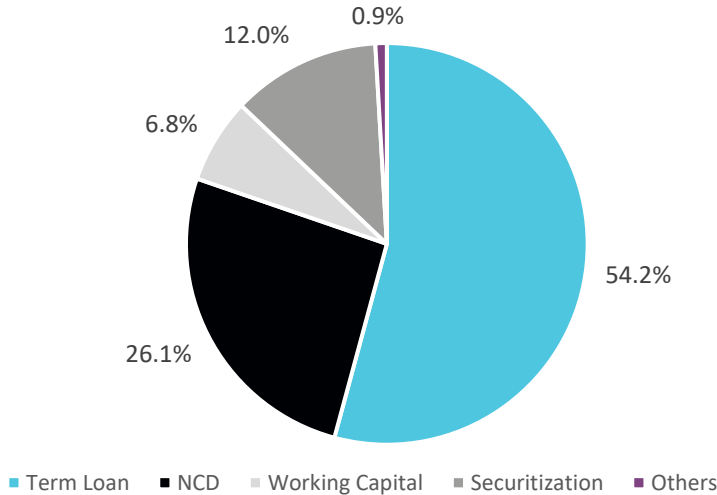




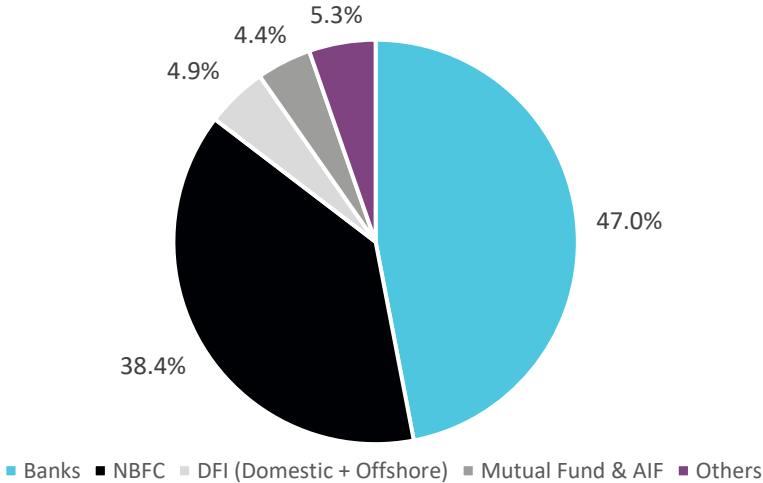
Share of Debt Outstanding as on Mar-25



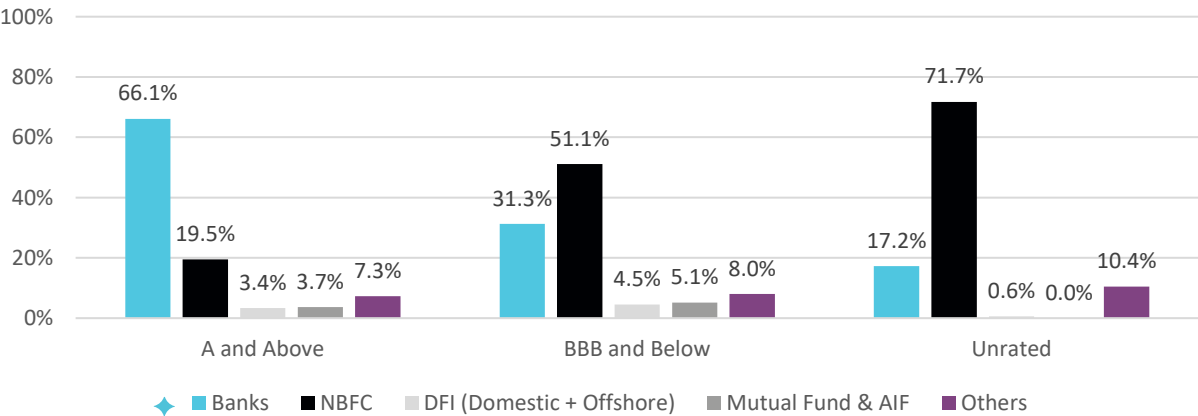
Type of Debt Outstanding as on Mar-25



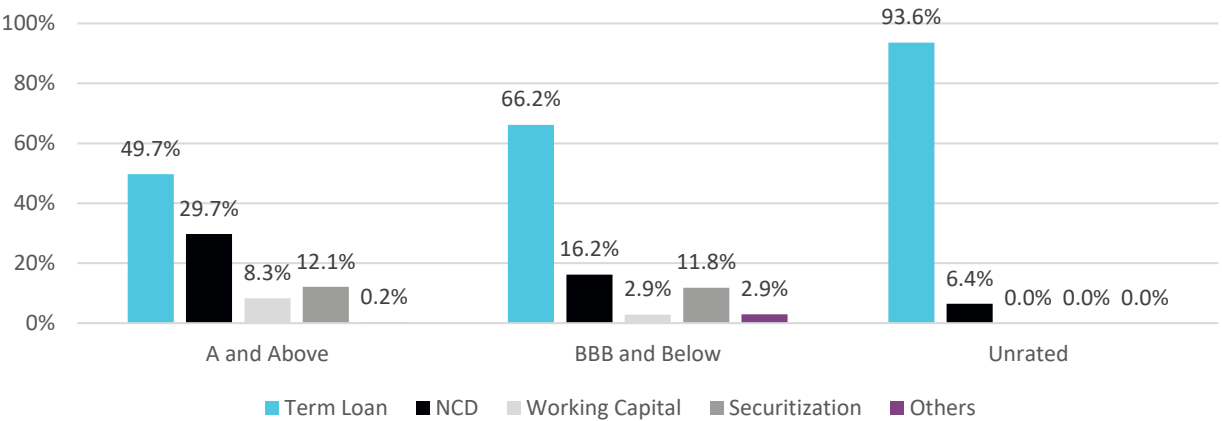
Share for Debt Funding done in FY25



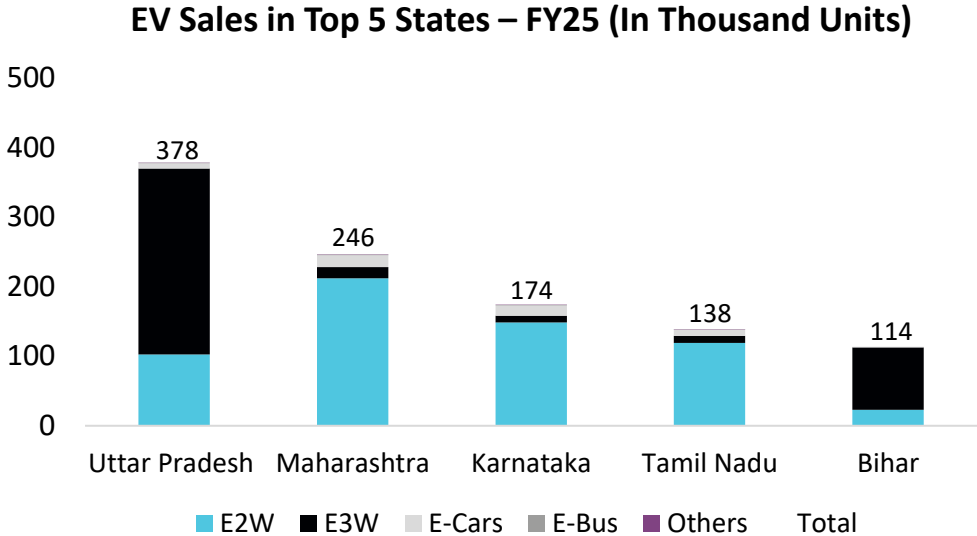
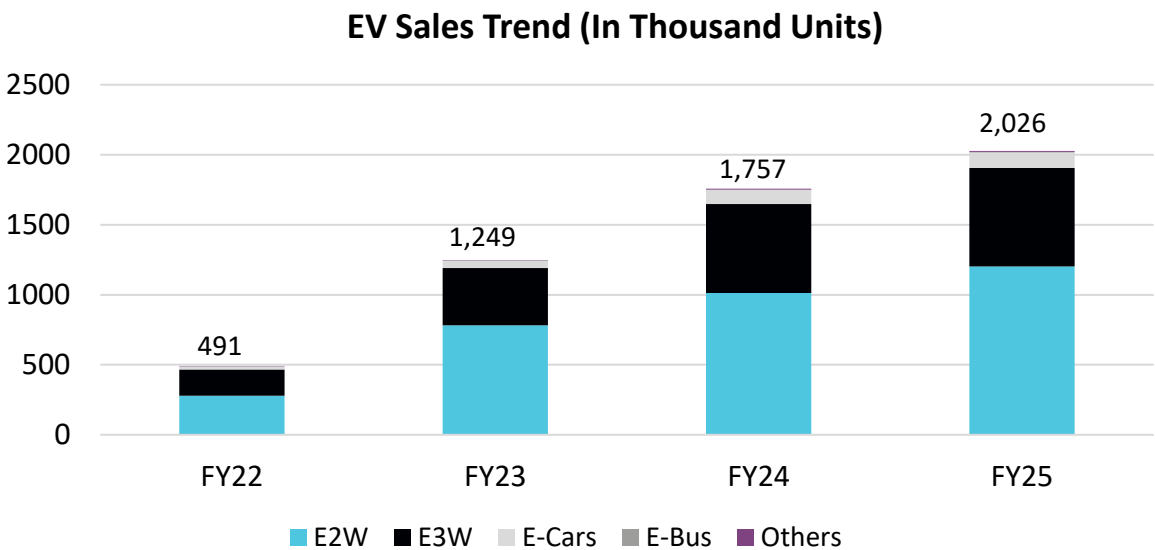
Funding Institution wise break-up based on Credit Rating Category - Mar-25



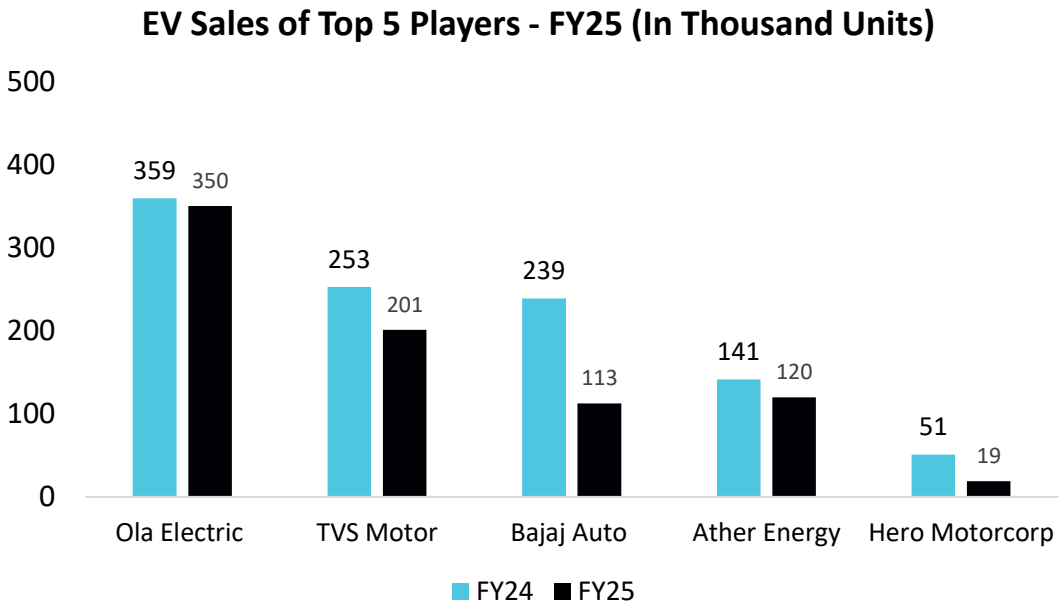
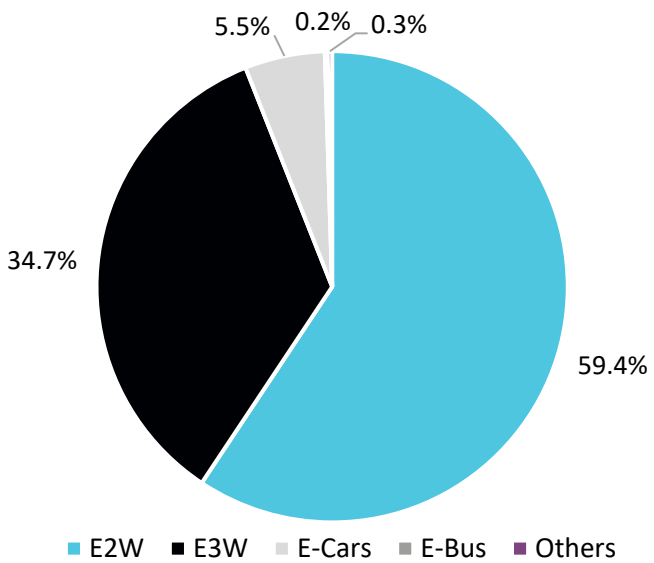
Funding Instrument wise break-up based on Credit Rating Category - Mar-25



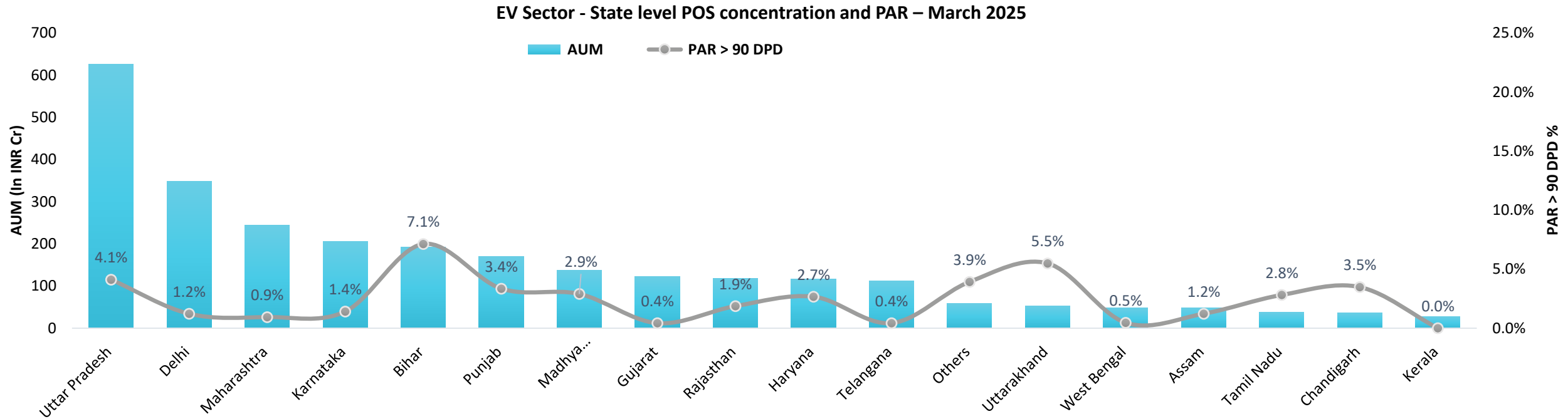
Electric Vehicle Sector Trends



Segment-wise Share in Sales – FY25 (In Thousand Units)



Northern Arc's NBFC Partners EV Portfolio – State level Asset Quality



- Top 5 states accounts for 58% of the portfolio concentration with highest concentration in Uttar Pradesh at 22%, followed by Delhi at 12% and Maharashtra as on Mar-25.
- The average PAR > 90 DPD across geographies is at 2%, with highest PAR > 90 DPD in Bihar at 7.1%, Uttarakhand at 5.5%, and Uttar Pradesh at 4.1% as on Mar-25.

Government Policies and Initiatives

PM E-DRIVE Scheme	PM Electric Drive Revolution in Innovative Vehicle Enhancement (PM E-DRIVE) Scheme with a financial outlay of INR 10,900 Cr, has come into effect from October 1, 2024, and will remain in force until March 31, 2026. Its primary aim is to accelerate the adoption of electric vehicles (EVs), establish charging infrastructure, and build a robust EV manufacturing ecosystem in the country. The scheme includes demand incentives for EVs, and grants for creation of capital assets (charging stations, testing facilities). The demand incentive is proposed at INR 5,000 per kWh for e-2Ws/e-3Ws registered in FY 2024-25 and INR 2,500 per kWh for FY 2025-26. Incentives will be capped per vehicle or at 15% of the ex-factory price, whichever is lower.
Production-Linked Investment Scheme	In FY21, the GoI launched PLI scheme (outlay of INR 25,938 Cr) to provide financial incentives of up to 18% to boost domestic manufacturing of advanced automotive technology products and attract investments in the automotive manufacturing value chain. Incentives are applicable for determined sales of products manufactured in India from Apr-22, for five consecutive years. The scheme has been successful in attracting a proposed investment of INR 67,690 Cr, surpassing the initial target of INR 42,500 Cr over a 5-year period.
Automotive Mission Plan 2016-26	AMP 2026 targets a four-fold growth in the automobile sector in India which include manufacturers of automobiles, auto components and tractors over the next 10 years. The plan envisions to create additional 65 million jobs and contribute 12% to the Indian GDP. The industry is pegged to touch \$260 billion - \$ 300 billion.
Vehicle Scrappage Policy, 2021	In Aug-21, GoI launched the Vehicle Scrappage Policy, which aims to phase out old polluting vehicles in an environmentally safe manner. The policy aims to phase out the vehicles which are more than 15-20 years old and to encourage purchase of new ones.
Clean Tech Scheme	The Indian government has planned ~US\$ 3.5 billion in incentives over a five-year period until 2026 under a revamped scheme to encourage production and export of clean technology vehicles.
Electric Mobility Promotion Scheme	Ministry of Heavy Industries, GoI with the approval of Department of Expenditure has launched Electric Mobility Promotion Scheme 2024 to further accelerate the adoption of EVs in the country which is a fund limited scheme with a total outlay of INR 500 Cr from April 1, 2024 to September 30, 2024.
PM-eBus Sewa scheme	In Aug-23, the GoI launched this scheme which aims to procure 10,000 electric buses for 169 cities through public-private partnerships. The scheme, with a total outlay of INR 57,613 Cr, will continue until 2037.

Definitions and Abbreviations

Term	Description
NBFC	Non-Banking Financial Company
NACL	Northern Arc Capital Limited
AUM/GLP	Assets Under Management (AUM) or Gross Loan Portfolio (GLP) represents outstanding principal amounts of the loans originated by the NBFC on its own books, securitized portfolio as well as loans originated on behalf of other entities by entering into partnership agreements but not included on the NBFC's own book.
Disbursement	Disbursement represents loans sanctioned and financed to the borrowers during the respective period.
PAR 30 DPD	Portfolio at Risk greater than 30 days or PAR > 30 shall mean, the outstanding principal value of the NBFC portfolio that has one or more instalments of principal, interest, penalty interest, fee or any other expected payments overdue for 30 days or more.
PAR 90 DPD	Portfolio at Risk greater than 90 days or PAR > 90 shall mean, the outstanding principal value of the NBFC portfolio that has one or more instalments of principal, interest, penalty interest, fee or any other expected payments overdue for 90 days or more.
Current Collection Efficiency (CE)	Current CE represents Current Collection efficiency which is defined as Current collections / Current demand. Current collections refers to collection received against the respective month's EMI dues. Current demand refers to the scheduled demand for the period.
TNW	TNW stands for Tangible Net Worth. Tangible Net Worth means, NBFC's equity share capital, compulsorily convertible instruments and any amount outstanding to the credit of its reserves, less equity and equity like investments, goodwill, deferred tax assets and other intangible assets.
Free Cash & Liquid Assets	Free Cash & Liquid Assets include cash in hand, cash at bank, money market instruments, and marketable securities.
LLP	LLP stands for Loan Loss Provisions. It is an expense set aside to cover losses incurred from defaulted loans.
Return on Assets (ROA)	Return on assets is defined as Profit after tax / Average AUM
Net Interest Income (NII)	Total Income from Operations less Total Finance Costs
Operating Expenses Ratio (OER)	Operating Expenses Ratio represents the total expenses incurred by the entity excluding the finance costs, credit costs and taxes as a percentage of Gross Loan Portfolio

Thank you

A large, solid teal curved shape that starts from the bottom right corner and sweeps upwards and to the left, framing the bottom right of the slide.