

B S R & Co. LLP

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Independent Auditor's Report on Half Yearly and Year to Date Standalone Financial Results of Northern Arc Capital Limited (*formerly known as IFMR Capital Finance Limited*) pursuant to Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board of Directors of
Northern Arc Capital Limited

We have audited the accompanying Statement of standalone financial results of **Northern Arc Capital Limited** ('the Company') for the six months ended 31 March 2018 and the year to date financial results for the period 1 April 2017 to 31 March 2018 ('the Standalone Financial Results'), being submitted by the Company pursuant to the requirement of Regulation 52 of the Securities and Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the half year ended 31 March 2018 and corresponding half year ended in the previous year as reported in these Standalone Financial Results are the balancing figures between audited figures in respect of full financial year and the published year to date figures for the half year ended 30 September 2017 and 30 September 2016 respectively. The figures for the half year ended 30 September 2017 and 30 September 2016 have only been reviewed and not subjected to audit.

These Standalone Financial Results have been prepared on the basis of the annual Standalone financial statements and the reviewed Standalone financial results for the half year ended 30 September 2017, which are the responsibility of the Company's management and have been approved by the Board of Directors.

Our responsibility is to express an opinion on these Standalone Financial Results based on our audit of such standalone financial statements, which have been prepared in accordance with the recognition and measurement principles under Section 133 of the Companies Act, 2013, circulars and guidelines issued by the Reserve Bank of India from time to time as applicable to a Non-Banking Financial (Non-deposit accepting or holding) Companies and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Standalone Financial Results are free of material misstatement. An audit includes

examining, on a test basis, evidence supporting the amounts disclosed as Standalone Financial Results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

Corresponding figures for the six months and year ended 31 March 2017 included in the Standalone Financial Results are based on the previously issued Standalone financial results that were audited by the predecessor auditors who expressed an unmodified opinion, vide their audit report dated 15 May 2017.

In our opinion and to the best of our information and according to the explanations given to us, these Standalone Financial Results:

- (i) are presented in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- (ii) give a true and fair view of the net profit and other financial information for the year ended 31 March 2018.

For B S R & Co. LLP
Chartered Accountants
ICAI Firm's Registration No: 101248W/W-100022



Manoj Kumar Vijai
Partner
Membership No: 046882

Place: London
Date: 11 May 2018

NORTHERN ARC CAPITAL LIMITED
FORMERLY IFMR CAPITAL FINANCE LIMITED
CIN: U65910TN1989PTC017021

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

Statement of Assets and Liabilities as at 31 March 2018

(Rs. in Lakhs, except per equity share data)

	Particulars	As at 31 March 2018 (Audited)	As at 31 March 2017 (Audited)
I	EQUITY AND LIABILITIES		
I.	Shareholders' funds		
	(a) Share capital	11,332.95	10,509.20
	(b) Reserves and surplus	51,654.89	39,542.21
		62,987.84	50,051.41
2.	Non-current liabilities		
	(a) Long-term borrowings	125,940.45	109,446.72
	(b) Other long-term liabilities	78.23	400.51
	(c) Long-term provisions	993.93	783.13
		127,012.61	110,630.36
3.	Current liabilities		
	(a) Short-term borrowings	76,788.73	58,231.05
	(b) Trade payables		
	- Total outstanding dues of micro enterprises and small enterprises	-	-
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	677.59	957.53
	(c) Other current liabilities	87,321.44	70,837.47
	(d) Short-term provisions	6,176.50	3,351.20
		170,964.26	133,377.25
	TOTAL	360,964.71	294,059.02
II	ASSETS		
1.	Non-current assets		
	(a) Fixed assets		
	- Tangible fixed assets	30.67	30.03
	- Intangible fixed assets	359.80	337.86
	- Intangible assets under development	133.41	17.69
	(b) Non-current investments	70,312.30	76,837.85
	(c) Deferred tax assets (net)	2,240.99	1,219.99
	(d) Receivable under financing activity	113,222.73	77,975.47
	(e) Long-term loans and advances	784.90	564.80
	(f) Other non-current assets	176.37	967.66
		187,261.17	157,951.35
2.	Current assets		
	(a) Current investments	31,021.09	36,757.67
	(b) Cash and cash equivalents	19,277.15	12,597.14
	(c) Receivable under financing activity	116,598.33	81,879.84
	(d) Short-term loans and advances	3,832.29	1,619.16
	(e) Other current assets	2,974.68	3,253.86
		173,703.54	136,107.67
	TOTAL	360,964.71	294,059.02
	See accompanying notes to the financial results		



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Statement of Standalone Financial Results for the half year and year ended 31 March 2018

(Rs. in Lakhs, except per equity share data)

	Particulars	Half year ended		Year ended	Year ended
		31 March 2018	31 March 2017	31 March 2018	31 March 2017
		Audited (Note 7)	Audited (Note 7)	Audited	Audited
1	Revenue				
	(a) Revenue from operations	24,732.96	19,124.95	45,617.28	35,729.07
	(b) Other income	164.25	228.46	280.98	312.90
	Total Revenue	24,897.21	19,353.41	45,898.26	36,041.97
2	Expenses				
	(a) Employee benefits expense	2,497.51	1,865.04	4,534.12	3,337.35
	(b) Finance costs	12,017.23	9,279.22	22,964.55	17,617.23
	(c) Provision and loan losses	(501.91)	2,984.96	2,904.58	3,374.37
	(d) Depreciation and amortisation expenses	100.85	65.73	164.15	120.34
	(e) Other expenses	2,230.84	1,602.93	3,527.89	2,533.69
	Total Expenses	16,344.52	15,797.88	34,095.29	26,982.98
3	Profit before tax (1-2)	8,552.69	3,555.53	11,802.97	9,058.99
4	Tax expense				
	(a) Current tax	3,544.46	1,754.67	5,082.44	4,100.79
	(b) Deferred tax	(557.38)	(505.49)	(1,021.00)	(988.64)
5	Net profit for the period / year (3-4)	5,565.61	2,306.35	7,741.53	5,946.84
6	Earnings per equity share (face value of Rs. 10 each)				
	- Basic in Rs.	7.10	2.86	9.88	7.41
	- Diluted in Rs.	6.00	2.43	8.33	6.99
		Not annualised	Not annualised	Annualised	Annualised
See accompanying notes to the financial results					



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Notes

- 1 The Company is a Non-Banking finance Company registered with the Reserve Bank of India.
- 2 Northern Arc Capital Limited ("the Company") is a Non-Banking Finance Company registered with the Reserve Bank of India. During the year, the Company has converted itself into Public Company from a Private Company.
- 3 The financial results for the half year and period ended 31 March 2018 have been reviewed by the Audit committee and subsequently approved by the Board of Directors at their respective meetings held on 11 May 2018. The statutory auditors have issued an unmodified opinion on the financial results.
- 4 These Standalone financial results have been prepared in accordance with applicable accounting standards notified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters and in term of Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.
- 5 The main business of the Company is arranging, facilitating or providing capital either in the form of loans or investments or guarantees. All other activities of the Company revolve around the main business. As such, there are no separate reportable segments as per the Accounting Standard on Segment Reporting (AS- 17).
- 6 Reserves include statutory reserve as per section 451C of the Reserve Bank of India Act, 1934, balance in securities premium account and retained earnings.
- 7 The figures for the half year ended 31 March 2018 and corresponding half year ended in the previous year as reported in these Financial Results are the balancing figures between respective audited figures in respect of full financial year and the published year to date figures for the half year ended 30 September 2017 and half year ended 30 September 2016. The figures for the half year ended 30 September 2017 and half year ended 30 September 2016 have only been reviewed and not subjected to audit.
- 8 During the current year, the Company vide its board meeting dated 18 December 2017 had approved the Scheme of Arrangement (Demerger) & Amalgamation between the Company, IFMR Holdings Private Limited, Dvara Investments Private Limited and their respective shareholders and creditors under sections 230 to 232 of the Companies Act, 2013. The appointed date under the aforesaid Scheme is 31 March 2017. The Company is in the process of obtaining necessary approvals from various statutory authorities and filling it with the Hon'ble National Company Law Tribunal (NCLT). Pending approval processes and filling with NCLT, no adjustment has been considered in the above financial results.
- 9 Previous period's/ year's figures have been regrouped / reclassified wherever necessary, to conform with the current period presentation.

Place : Chennai
Date : 11 May 2018


Kshama Fernandes
Managing Director



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Annexure A

Information as required pursuant to Regulation 52(4) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

(a) Credit rating

Products	Rating
(a) Commercial Paper	A1+
(b) Debentures	A+
(c) Bank loan facilities	A+

(b) Assets Cover available for non convertible debt securities : NA

(c) Debt equity ratio : 4.54 times

Debt equity ratio is (Long-term borrowing + Short-term borrowings + Current maturities of long-term borrowings) / Net worth)

(d) Previous due date for the payment of interest / dividend for non-convertible redeemable preference shares/ repayment of principal of non-convertible preference shares/ non convertible debt securities and whether the same has been paid or not; (Refer Annexure "A1"). The Company does not have any non-convertible redeemable preference shares as at 31 March 2018.

(e) Next due date for the payment of interest / dividend of non-convertible preference shares / principal along with the amount of interest / dividend of non-convertible preference shares payable and the redemption amount (Refer Annexure "A1"). The Company does not have any non-convertible redeemable preference shares as at 31 March 2018.

(f) Debt service coverage ratio : NA

(g) Interest service coverage ratio : NA

(h) Outstanding redeemable preference shares (Quantity & value) : The Company does not have Outstanding redeemable preference shares as at 31 March 2018 and hence this clause is not applicable.

(i) Debenture Redemption Reserve :

Debenture redemption reserve is not required in respect of privately place debentures in terms of Rule 18(7)(b)(ii) of Companies (Share Capital and Debenture) Rules 2014.

(j) Net Worth : Rs. 62,987.84 lakhs . (Net Worth is equal to share capital plus reserves & surplus less deferred revenue expenditure:)

(k) Net profit after tax : Rs. 7,741.53 lakhs

(l) Earnings per share : Basic - Rs. 9.88 and diluted - Rs. 8.33, annualised

(m) There was no material deviation in the use of the proceeds of the issue of Non Convertible Debt Securities.

