



Press Release

Mumbai, February 14, 2025: Northern Arc Capital Limited announced its results for the quarter ended December 31, 2024, on February 14, 2025.

Key highlights for Q3FY25 & 9MFY25

- **Pre-provision operating profit (PPoP) grew by 39% YoY to INR 562 Cr for 9MFY25 and by 9% YoY to INR 176 Cr for Q3FY25**
- **Profit after tax grew by 22% YoY to INR 267 Cr for 9MFY25 and was INR 76 Cr for Q3FY25**
- **Lending Assets Under Management (AUM) grew by 16% YoY to INR 12,250 Cr**
- **Gross NPA and Net NPA ratio was 0.90% and 0.37% respectively as on December 31, 2024**
- **Return on Assets was flat YoY at 2.9% for 9MFY25**
- **Networth grew by 55% YoY to INR 3,405 Cr**
- **Healthy capital adequacy ratio of 26.1% as on December 31, 2024.**

Summary of Northern Arc's Performance – Q3FY25 & 9MFY25:

➤ **Assets**

- Lending AUM grew by 16% YoY to INR 12,250 Cr as on December 31, 2024
- Performing Credit Fund AUM was INR 2,796 Cr as on December 31, 2024
- Gross Transaction Volume for Q3FY25 was INR 7,523 Cr
 - Of which, Disbursements grew by 31% YoY to INR 4,780 Cr
- Share of Direct to Customer lending has increased to 52% on December 31, 2024, compared to 47% on December 31, 2023

➤ **Financials**

- Net Interest Income grew by 10% YoY to INR 267 Cr for Q3FY25
- Fee & Other income was INR 21 Cr for Q3FY25
- PPoP grew by 9% YoY to INR 176 Cr for Q3FY25
- Credit cost was INR 81 Cr for Q3FY25 compared to INR 53 Cr for Q3FY24
- Profit after tax was INR 76 Cr for Q3FY25 compared to INR 75 Cr for Q3FY24
- Return on Assets for 9MFY25 was stable at 2.9% and 2.4% for Q3FY25
- Return on Equity was 12.0% for 9MFY25. Raised fresh equity capital of INR 882 Cr in 9MFY25

➤ **Asset quality**

- Gross NPA ratio was 0.90% as on December 31, 2024
- Net NPA ratio was 0.37% as on December 31, 2024
- Provisioning coverage ratio on Stage III assets was 60% on December 31, 2024

➤ **Capital Adequacy**



- Capital adequacy ratio was 26.1% on December 31, 2024.

Commenting on the Q3FY25 & 9MFY25 results MD & CEO Ashish Mehrotra said, *“The first nine months of this financial year have presented considerable challenges for the lending industry. In these dynamic times, our business model has demonstrated its resilience, enabling us to effectively manage our sectoral exposure. This agility allows us to adjust our focus by strategically ramping up or scaling down sectors in response to changing market conditions. Despite these headwinds, we have achieved a 16% YoY growth in AUM, reaching INR 12,250 Cr, with 52% of our portfolio consisting of a granular, direct-to-customer segment. Our disciplined approach to risk management and targeted expansion has also led to a 22% YoY increase in PAT to INR 267 crores, with a ROA of 2.9% in 9MFY25”*

About Northern Arc:

Northern Arc is one of the leading players amongst India's diversified NBFCs in terms of AUM as of March 31, 2024[^] dedicated to empowering the lives of underserved individuals and businesses. Powered by technology and data, Northern Arc offers a suite of solutions including lending, placements, and fund investments in key sectors like MSME Financing, MFI, Consumer Financing, Vehicle Financing, Affordable Housing Financing, and Agricultural Supply Chain Finance. Since 2009, Northern Arc has facilitated the financing of over INR 1.97 trillion cumulatively, for its clients, spread across 675 districts in 28 states and 7 Union Territories in India. Our work, including that of our originator partners, has impacted the lives of over 115 million people.

Northern Arc handles an AUM of INR 15,046 crores through its balance sheet and active AIF funds as of December 31, 2024. The firm is backed by marquee equity investors like IFC, Sumitomo Mitsui Banking Corporation, LeapFrog, 360 ONE (formerly known as IIFL), Accion, Affirma Group, Dvara Trust, and Eight Roads (a proprietary arm of Fidelity).

[^]Source: Report titled “Analysis of NBFC sector and select asset classes” dated June 2024 prepared and released by CRISIL Research

**Disclaimer: All the numbers stated in the boilerplate are as of December 31, 2024.*

For Further Information,

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