

Independent Auditor's Review Report on the Quarterly Unaudited Standalone Financial Results of Northern Arc Capital Limited (the "Company") Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**Review Report to
The Board of Directors
Northern Arc Capital Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of Northern Arc Capital Limited (the "Company") for the quarter ended June 30, 2024 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. The Company's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and 52 of the Listing Regulations. The Statement has been approved by the Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004



per Bharath N S

Partner

Membership No.: 210934

UDIN: 24210934BKFUOR3936

Place: Chennai

Date: September 30, 2024



Northern Arc Capital Limited
CIN: U65910TN1989PLC017021

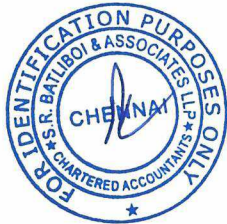
Regd. Office: IITM Research Park, Phase I, 10th Floor, Kanagam Village, Taramani, Chennai - 600 113

Statement of unaudited standalone financial results of Northern Arc Capital Limited (the "Company") for the quarter ended June 30, 2024

(All amounts are in Indian rupees in lakhs, unless otherwise stated)

Particulars	Quarter ended			Year ended
	30 June 2024	31 March 2024	30 June 2023	31 March 2024
	Unaudited	(Refer Note 11)	Unaudited	Audited
Revenue from operations				
Interest income	55,213.55	50,565.35	35,894.70	1,69,934.25
Fee and commission income	804.57	1,783.78	771.96	4,243.93
Net gain on fair value changes	109.80	270.23	1,520.20	3,945.31
Net gain on derecognition of financial instruments	-	1,709.87	614.96	4,742.54
Total revenue from operations	56,127.92	54,329.23	38,801.82	1,82,866.03
Other income	422.53	1,100.76	137.07	1,565.65
Total income	56,550.45	55,429.99	38,938.89	1,84,431.68
Expenses				
Finance costs	20,922.03	20,380.81	16,380.96	72,586.35
Fees and commission expense	10,760.22	12,411.35	4,719.58	31,714.19
Employee benefits expenses	5,036.69	5,027.72	3,955.39	17,961.03
Impairment on financial instruments	5,137.41	2,461.97	3,163.41	12,313.52
Depreciation and amortisation	331.33	400.21	295.05	1,467.03
Other expenses	3,422.14	3,812.98	2,493.74	10,847.33
Total expenses	45,609.82	44,495.04	31,008.13	1,46,889.45
Profit before tax	10,940.63	10,934.95	7,930.76	37,542.23
Tax expense				
Current tax	3,599.00	2,885.07	2,149.00	10,189.07
Deferred tax charge / (benefit)	(806.15)	(144.06)	(147.82)	(663.95)
Total tax expense	2,792.85	2,741.01	2,001.18	9,525.12
Profit for the period / year	8,147.78	8,193.94	5,929.58	28,017.11
Other comprehensive income				
Items that will not be reclassified to profit or loss in subsequent periods				
Remeasurement gain / (loss) on the defined benefit plan	(2.26)	61.31	30.08	(9.04)
Income tax relating to items that will not be reclassified to profit or loss	0.57	(15.42)	(7.57)	2.28
	(1.69)	45.89	22.51	(6.76)
Items that will be reclassified to profit or loss in subsequent periods				
Net gain/ (loss) on Financial Instruments through other comprehensive income	(2,067.90)	805.61	1,157.54	1,228.99
Income tax relating to items that will be reclassified to profit or loss	520.49	(202.77)	(291.35)	(309.34)
	(1,547.41)	602.84	866.19	919.65
Net gain / (loss) on effective portion of cash flow hedges	214.24	1,014.90	(3,331.96)	1,362.19
Income tax relating to items that will be reclassified to profit or loss	(53.92)	(255.45)	838.66	(342.86)
	160.32	759.45	(2,493.30)	1,019.33
	(1,387.09)	1,362.29	(1,627.11)	1,938.98
Other comprehensive income for the period / year (net of income tax)	(1,388.78)	1,408.18	(1,604.60)	1,932.22
Total comprehensive income for the period / year (net of income tax)	6,759.00	9,602.12	4,324.98	29,949.33
Earnings per equity shares, par value of INR 10 each*				
Basic (in rupees)	9.11	9.20	6.66	31.45
Diluted (in rupees)	5.78	6.20	4.49	21.26
	*Not annualised	*Not annualised	*Not annualised	*Annualised

See accompanying notes to the unaudited standalone financial results



Notes:

- Northern Arc Capital Limited (the Company) is a Non-Deposit taking Systemically Important Non-Banking Financial Company (NBFC-ND-SI), registered with the Reserve Bank of India (the RBI). The unaudited standalone financial results have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standard) Rules, 2015 as amended from time to time, notified under section 133 of the Companies Act 2013 (the Act) and other relevant provisions of the Act and in compliance with Regulation 33 and Regulation 52 of the Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended (the "Listing Regulations"). Any application guidance/ clarifications/ directions issued by Reserve Bank of India (RBI) are implemented as and when they are issued/ becomes applicable. The statement of unaudited standalone financial results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their meetings held on September 30, 2024. The unaudited standalone financial results have been subjected to a limited review by the statutory auditors of the Company.
- During the quarter ended June 30, 2024, the company, pursuant to the approval by the Board of Directors and its shareholders, has made private placement offer and raise funds up to INR 38,200 Lakhs by offering and issuing:
 - 84,91,048 Series C Compulsorily Convertible Preference Shares having a face value of INR 20 each for a consideration of INR 391 per share and,
 - 12,78,772 Series C2 Compulsorily Convertible Preference Shares having a face value of INR 20 each for a consideration of INR 391 per share by way of preferential allotment.
- Subsequent to the quarter ended June 30, 2024, 5,10,93,024 compulsorily convertible preference shares (including 97,69,820 compulsorily convertible preference shares privately placed, as described in note 2 above), issued by the Company were converted into 52,01,6,624 Equity Shares of INR 10 each.
- During the quarter ended June 30, 2024, pursuant to Northern Arc Employee Stock Option Scheme, 2016 and Northern Arc Employee Stock Option Scheme, 2018, the Board of Directors allotted 74,500 fully paid-up equity shares of Rs 10 each at an aggregate premium of Rs 113.11 Lakhs. Additionally, during the quarter ended June 30, 2024, the Company have approved grants of new ESOP schemes. No options are allotted or exercised from these grants.
- Subsequent to the quarter ended June 30, 2024, the Company has completed an Initial Public Offer ("IPO") of 2,95,97,646 equity shares of face value of Rs 10 each at an issue price of Rs 263 per equity share (Rs 239 per equity share reserved for employees), comprising of offer for sale of 1,65,32,320 equity shares by selling shareholders and fresh issue of 1,90,65,326 equity shares. The equity shares of the Company were listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") on 24th September 2024.
- The submission of the unaudited standalone financial results for the quarter ended June 30, 2024 is approved by the board and submitted to the stock exchange beyond the prescribed timeline as per SEBI LODR. The Company is in the process of filing the necessary request to condone such delay in submission of financial results with the regulators' stock exchange and remitting the applicable fee/ penalty. Such delay in submission of financial results is not expected to have material impact on the unaudited financial results of the Company.
- Details of loans transferred/ acquired during the quarter ended June 30, 2024 under Master Directions RBI (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021 are given below.

Details of loans not in default transferred / acquired through assignment

Particulars	Loan Participation	Transferred *	Acquired	
			Retail	Non Retail
Aggregate amount of loans transferred/ acquired through assignment	-	-	2,999.91	-
Weighted average maturity (in years)	-	-	1.44	-
Weighted average holding period (in years)	-	-	0.62	-
Retention of beneficial economic interest by originator	-	-	333.32	-
Tangible security coverage	-	-	-	-
Rating-wise distribution of related loans	-	-	-	-

* Represents the amount of assigned portfolio

The Company has not acquired any stressed loans

- All secured listed non-convertible debentures issued by the Company are secured by way of an exclusive first charge on book debts with security to the extent as stated in the respective information memorandums. Further, the Company has maintained asset cover as stated in the respective information memorandums which is sufficient to discharge the principal amount at all times for the non-convertible debt securities issued.
- Disclosures in compliance with Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended June 30, 2024 is attached as Annexure 1.
- The Company is primarily in the business of financing and accordingly there are no separate reportable segments in accordance with IND AS 108, on "Operating Segments" in respect of the Company. The Company operates in a single geographical segment, i.e., India.
- Figures for the quarter ended March 31, 2024 are derived in the standalone financial results by deducting the reported year to date figures for the period ended December 31, 2023 which were subject to limited review, from audited figures for the year ended March 31, 2024.

For and on behalf of the Board of Directors of
Northern Arc Capital Limited

Ashish Mehrotra
Managing Director & CEO

Place: Mumbai
Date: September 30, 2024



Northern Arc Capital Limited
 CIN: U65910TN1989PLC017021
 Regd. Office: IITM Research Park, Phase I, 10th Floor, Kanagam Village, Taramani, Chennai - 600 113
 Statement of unaudited standalone financial results of Northern Arc Capital Limited (the "Company") for the quarter ended June 30, 2024

Annexure I:

1 Analytical ratios / disclosures required under Regulation 52(4) of the Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015

Particulars	Ref	As at	As at
		30 June 2024	31 March 2024
Debt-equity ratio	1.1	3.32	4.02
Total debts to total assets	1.2	0.75	0.78
Net worth (amount in lakhs)	1.3	2,70,054.93	2,25,035.34
Capital redemption reserve (amount in lakhs)		2,660.00	2,660.00
Gross stage 3 assets ratio	1.4	0.49%	0.47%
Net stage 3 assets ratio	1.5	0.12%	0.09%
Capital adequacy ratio (CRAR)	1.6	21.50%	18.26%
Asset cover over listed non-convertible debentures	1.7	1.08	1.15

Particulars	Ref	Quarter ended		Year ended	
		30 June 2024	31 March 2024	30 June 2023	31 March 2024
Net profit margin (%)	1.8	11.95%	17.32%	11.11%	16.24%

- 1.1 Debt-equity ratio is (debt securities+ borrowings (other than debt securities)+subordinated liabilities) / net worth i.e. equity share capital + instruments entirely equity in nature + other equity
- 1.2 Total debts to total assets is debt securities, borrowings (other than debt securities) and subordinated liabilities / total assets
- 1.3 Net worth is equal to equity share capital + instruments entirely equity in nature + other equity
- 1.4 Gross stage 3 assets ratio is gross stage 3 (loans+investments) / gross loans + investments
- 1.5 Net stage 3 assets ratio is gross stage 3 (loans and Investments) less impairment loss allowance for stage 3 (loans and investments) / gross (loans and investments) less impairment allowance for stage 3 (loans and investments)
- 1.6 Capital adequacy ratio or capital-to-risk weighted assets ratio (CRAR) is computed by dividing company's Tier I and Tier II capital by risk weighted
- 1.7 Asset cover over listed non-convertible debentures represents the number of times the listed non-convertible debentures is covered through the loans and investments provided as security
- 1.8 Net profit margin (%) is total comprehensive income for the period, net of income tax / total income

Other ratios / disclosures such as debt service coverage ratio, interest service coverage ratio, outstanding redeemable preference shares (quantity and value), capital redemption reserve/debenture redemption reserve, current ratio, long term debt to working capital, bad debts to account receivable ratio, current liability ratio, debtors turnover, inventory turnover and operating margin (%) are not applicable / relevant to the Company and hence not disclosed

