

November 09, 2021

BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai- 400001

National Stock Exchange of India Ltd.,  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex,  
Bandra (E), Mumbai – 400 051

Dear Sir/Madam,

**Sub: Intimation of outcome of board meeting**

Pursuant to Regulation 51(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform that, the board of directors of the Company at their meeting held on November 09, 2021, have inter alia approved the financial results of the period ended on September 30, 2021. Accordingly, please find enclosed herewith the following:

1. Financial results as per regulation 52 along with the limited review report issued by the statutory auditors of the Company and statement of disclosure under regulations 52(4) and 54.
2. Statement indicating the utilization of issue proceeds of non-convertible debentures under Regulation 52(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended on September 30, 2021

Request you to kindly take the intimation on record.

Thanking you.  
Yours sincerely,

**For Northern Arc Capital Limited**



**R Srividhya  
Company Secretary**

# B S R & Co. LLP

Chartered Accountants

KRM Tower, 1<sup>st</sup> & 2<sup>nd</sup> Floors,  
No.1, Harrington Road, Chetpet,  
Chennai – 600 031, India

Telephone: + 91 44 4608 3100  
Fax: + 91 44 4608 3199

## Limited review report

### To Board of Directors of Northern Arc Capital Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of Northern Arc Capital Limited for the quarter ended and year to date results for the period from 1 April 2021 to 30 September 2021 (“the Statement”).
2. This Statement, which is the responsibility of the Company’s management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “*Interim Financial Reporting*” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Securities and Exchange Board of India (“SEBI”) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). Our responsibility is to issue a report 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 is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and 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 applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Registered Office:

## **B S R & Co. LLP**

### **Limited review report Northern Arc Capital Limited**

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#### **Emphasis of Matter**

5. As described in Note 6 to the Statement, the extent to which the COVID - 19 pandemic will impact the Company's financial performance including the Company's estimates of impairment and fair valuation of financial instruments are dependent on future developments, primarily the severity and duration of the pandemic, that are highly uncertain. The Company has considered the aforesaid context of the pandemic to develop the estimates and assumptions in determining the impairment and fair valuation of financial instruments. The impact assessment of COVID-19 is a continuing process. The Company will continue to monitor any material changes to the future economic conditions.

Our conclusion is not modified in respect of this matter.

*for* **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**SIVARAMAKRISHNAN SETHURAMAN** Digitally signed by  
SIVARAMAKRISHNAN SETHURAMAN  
**AN SETHURAMAN** Date: 2021.11.09 18:33:31 +05'30'

**S Sethuraman**

*Partner*

Membership No: 203491

UDIN: 21203491AAAAFT8223

Place : Chennai

Date : 9 November 2021

**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 for quarter and half year ended 30 September 2021**

Particulars	Quarter ended		Half year ended		Year ended
	30 September 2021	30 June 2021	30 September 2021	30 September 2020	31 March 2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>Revenue from operations</b>					
Interest income	17,635.89	16,676.32	34,312.21	27,918.42	55,578.63
Fees and commission income	1,603.61	1,478.56	3,082.17	1,605.57	5,228.91
Net gain on fair value changes	934.12	1,087.62	2,021.74	2,122.36	4,321.02
<b>Total revenue from operations</b>	<b>20,173.62</b>	<b>19,242.50</b>	<b>39,416.12</b>	<b>31,646.35</b>	<b>65,128.56</b>
Other income	80.07	283.93	364.00	87.35	291.63
<b>Total income</b>	<b>20,253.69</b>	<b>19,526.43</b>	<b>39,780.12</b>	<b>31,733.70</b>	<b>65,420.19</b>
<b>Expenses</b>					
Finance costs	9,388.89	9,483.42	18,872.31	15,785.49	32,296.76
Fees and commission expense	1,254.67	977.90	2,232.57	1,488.61	2,852.19
Impairment on financial instruments (refer note 6)	663.09	2,159.50	2,822.59	7,069.06	13,602.68
Employee benefits expenses	2,083.97	1,783.57	3,867.54	2,244.48	5,679.95
Depreciation and amortisation	206.29	151.02	357.31	279.80	673.83
Other expenses	940.71	544.97	1,485.68	1,014.57	2,681.56
<b>Total expenses</b>	<b>14,537.62</b>	<b>15,100.38</b>	<b>29,638.00</b>	<b>27,882.01</b>	<b>57,786.97</b>
<b>Profit before tax</b>	<b>5,716.07</b>	<b>4,426.05</b>	<b>10,142.12</b>	<b>3,851.69</b>	<b>7,633.22</b>
<b>Tax expense</b>					
Current tax	1,127.00	501.00	1,628.00	2,451.00	3,939.00
Deferred tax charge / (benefit)	387.31	759.34	1,146.65	(1,475.08)	(1,910.77)
	<b>1,514.31</b>	<b>1,260.34</b>	<b>2,774.65</b>	<b>975.92</b>	<b>2,028.23</b>
<b>Profit for the period / year</b>	<b>4,201.76</b>	<b>3,165.71</b>	<b>7,367.47</b>	<b>2,875.77</b>	<b>5,604.99</b>
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to profit or loss</b>					
Remeasurements of the defined benefit asset/ (liability)	28.86	(102.47)	(73.61)	(25.17)	12.38
Income tax relating to items that will not be reclassified to profit or loss	(7.26)	25.79	18.53	6.34	(3.12)
<b>Net other comprehensive income not to be reclassified subsequently to profit or loss</b>	<b>21.60</b>	<b>(76.68)</b>	<b>(55.08)</b>	<b>(18.83)</b>	<b>9.26</b>
<b>Items that will be reclassified subsequently to profit or loss</b>					
Fair valuation of financial instruments (net)	(0.17)	(688.10)	(688.27)	776.79	818.93
Income tax relating to items that will be reclassified to profit or loss	0.04	173.19	173.23	(195.52)	(206.12)
<b>Net other comprehensive income to be reclassified subsequently to profit or loss</b>	<b>(0.13)</b>	<b>(514.91)</b>	<b>(515.04)</b>	<b>581.27</b>	<b>612.81</b>
<b>Other comprehensive income for the period / year, net of income tax</b>	<b>21.47</b>	<b>(591.59)</b>	<b>(570.12)</b>	<b>562.44</b>	<b>622.07</b>
<b>Total comprehensive income for the period / year, net of income tax</b>	<b>4,223.23</b>	<b>2,574.12</b>	<b>6,797.35</b>	<b>3,438.21</b>	<b>6,227.06</b>
<b>Earnings per equity share</b>					
Basic (in rupees)	4.77	3.60	8.37	3.29	6.40
Diluted (in rupees)	3.20	2.41	5.61	2.46	4.48
Face value per share (in rupees)	Not annualised 10.00	Not annualised 10.00	Not annualised 10.00	Not annualised 10.00	Annualised 10.00

*See accompanying notes to the unaudited standalone financial results*

**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 Assets and Liabilities as at 30 September 2021

*(All amounts are in lakhs, except share data and as stated)*

Particulars	As at 30 September 2021 (Unaudited)	As at 31 March 2021 (Audited)
<b>ASSETS</b>		
<b>Financial assets</b>		
Cash and cash equivalents	59,485.07	38,790.21
Bank balances other than cash and cash equivalents	8,527.66	6,837.98
Trade receivables	900.92	1,558.79
Loans	4,35,733.22	3,76,215.08
Investments	1,48,463.32	1,25,312.01
Other financial assets	696.83	851.27
	<b>6,53,807.02</b>	<b>5,49,565.34</b>
<b>Non-financial assets</b>		
Current tax assets (net)	3,381.46	3,502.11
Deferred tax assets (net)	1,106.99	2,061.88
Property, plant and equipment	101.94	104.85
Right of use asset	811.79	985.44
Intangible assets under development	27.42	54.02
Intangible assets	996.40	972.77
Other non - financial assets	1,321.55	172.83
	<b>7,747.55</b>	<b>7,853.90</b>
<b>TOTAL ASSETS</b>	<b>6,61,554.57</b>	<b>5,57,419.24</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>Financial liabilities</b>		
Derivative financial instruments	738.67	898.51
Trade payables		
- total outstanding dues of micro and small enterprises	-	-
- total outstanding dues of creditors other than micro and small enterprises	2,208.56	1,648.35
Debt securities	1,74,759.70	1,63,956.78
Borrowings (other than debt securities)	3,15,083.05	2,29,247.09
Other financial liabilities	2,970.51	3,648.97
	<b>4,95,760.49</b>	<b>3,99,399.70</b>
<b>Non-financial liabilities</b>		
Provisions	1,554.04	1,724.05
Other non-financial liabilities	384.10	409.47
	<b>1,938.14</b>	<b>2,133.52</b>
<b>EQUITY</b>		
Equity share capital	8,817.12	8,792.15
Other equity	1,55,038.82	1,47,093.87
	<b>1,63,855.94</b>	<b>1,55,886.02</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>6,61,554.57</b>	<b>5,57,419.24</b>

*See accompanying notes to the unaudited standalone financial results*

**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 Cash Flows for the half year ended 30 September 2021**

*(All amounts are in lakhs, except share data and as stated)*

Particulars	For the half year ended 30 September 2021 (Unaudited)	For the half year ended 31 March 2021 (Audited)
<b>A Cash flow from operating activities</b>		
Profit after tax	7,367.47	5,604.99
<b>Adjustments for:</b>		
Depreciation and amortisation	357.31	673.83
Tax expense (including deferred tax)	2,582.88	2,237.47
Mark-to-market loss on derivative contracts	(159.84)	898.51
Interest income on loans, fixed deposits and investments	(34,312.21)	(55,578.63)
Unrealised gain on alternative investment funds designated at fair value through profit or loss	(51.70)	(546.08)
Gain on mutual funds investments designated at fair value through profit or loss	(150.88)	(347.02)
Profit on sale of investments	(237.19)	(107.09)
Impairment on financial instruments (net)	2,822.59	13,602.68
Employee share based payment expenses	410.22	245.71
Amortisation of discount on commercial papers	589.75	187.69
Amortisation of ancillary costs relating to borrowings	716.83	1,509.38
Finance costs	17,565.73	30,599.69
Lease rental concession received	-	(35.20)
Gain on account of termination of lease	-	(3.45)
<b>Operating profit before working capital changes</b>	<b>(2,499.04)</b>	<b>(1,057.52)</b>
<b>Changes in working capital and other changes:</b>		
Decrease / (Increase) in other financial assets	172.25	239.46
(Increase) / Decrease in trade receivables	668.51	(692.98)
Increase in loans	(62,485.85)	(92,951.26)
Decrease / (Increase) in other non financial assets	(1,148.72)	71.28
Decrease / (Increase) in other bank balances	(1,550.98)	1,205.01
Increase / (Decrease) in trade payables, other liabilities and provisions	77.17	466.82
<b>Cash used in operations</b>	<b>(66,766.66)</b>	<b>(92,719.19)</b>
Interest income received on loans, fixed deposits and investments	33,388.03	53,853.38
Finance cost paid	(18,758.13)	(30,000.36)
Income tax paid (net)	(1,507.35)	(3,778.93)
<b>Net cash flow generated from / (used in) operating activities</b>	<b>(A) (53,644.11)</b>	<b>(72,645.10)</b>
<b>B Cash flows from investing activities</b>		
Purchase of fixed assets	(177.78)	(380.74)
Purchase of mutual fund investments	(65,500.00)	(59,602.21)
Proceeds from sale of investments in Mutual fund	65,650.88	59,949.23
Purchase of other investments	(86,855.82)	(91,703.47)
Proceeds from sale of other investments	64,356.85	72,320.49
<b>Net cash flow generated from / (used in) investing activities</b>	<b>(B) (22,525.87)</b>	<b>(19,416.70)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from issue of debt securities	51,640.00	1,47,608.19
Repayment of debt securities	(41,426.83)	(69,859.80)
Proceeds from borrowings	1,64,600.00	1,18,656.54
Repayment of borrowings	(78,516.71)	(97,904.50)
Payment of lease liabilities	(176.16)	(347.61)
Proceeds from issue of equity share capital including securities premium	744.54	214.07
<b>Net cash flows generated from financing activities</b>	<b>(C) 96,864.84</b>	<b>98,366.89</b>
<b>Net increase in cash and cash equivalents</b>	<b>(A+B+C) 20,694.86</b>	<b>6,305.09</b>
Cash and cash equivalents at the beginning of the year	38,790.21	32,485.12
Cash and cash equivalents at the end of the year	<b>59,485.07</b>	<b>38,790.21</b>
<b>Components of cash and cash equivalents</b>		
Cash and cash equivalents at the end of the period		
- Balance with banks in current accounts	46,938.00	32,155.52
- Bank deposits with maturity of less than 3 months	12,547.07	6,634.69
	<b>59,485.07</b>	<b>38,790.21</b>
<i>See accompanying notes to the standalone annual financial results</i>		

**Notes:**

- 1 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").
- 2 The unaudited standalone financial results for the quarter and half year ended 30 September 2021 along with comparative period have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their respective meetings held on 9 November 2021. The above results for the quarter and half year ended 30 September 2021 have been subjected to limited review by the statutory auditors of the Company. The auditors have issued an unmodified review opinion.
- 3 These unaudited standalone financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS), 34 - "Interim Financial Reporting" as prescribed under Section 133 of the Companies Act, 2013 (the Act), and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations 2015. The financial results have been drawn upon the basis of Ind AS, that are applicable to the Company as at 30 September 2021. Any application guidance/ clarifications / directions issued by the RBI or other regulators are implemented as and when they are issued/ applicable.
- 4 There are no separate reportable segments in accordance with Ind AS 108 on "Operating Segments" in respect of the Company.
- 5 Other equity includes Statutory Reserves as per Section 451C of Reserve Bank of India Act 1934, balance in Securities Premium Account, Capital Redemption Reserve, Capital Reserve, Employee Stock Options Outstanding Account and Retained earnings.
- 6 The impact of COVID-19 on the economy continues to be uncertain and the extent to which the ongoing COVID-19 pandemic will impact the Company's financial performance including the Company's estimates of impairment and fair valuation of financial instruments, are dependent on such future developments, primarily the severity and duration of the pandemic, that are highly uncertain.

In accordance with the Board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated 27 March 2020, 17 April 2020 and 23 May 2020 relating to 'COVID-19 –Regulatory Package', the Company has granted moratorium on payment of installments falling due between 1 March 2020 and 31 August 2020 on a case to case basis to eligible borrowers. Having regard to the guidance provided by the RBI and the Institute of Chartered Accountants of India, in the assessment of the Company, extension of such moratorium benefit to borrowers as per the COVID-19 Regulatory Package of the RBI by itself is not considered to result in significant increase in credit risk as per Ind AS 109 - Financial Instruments. In the absence of other credit risk indicators, the granting of a moratorium period does not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria. Accordingly, in respect of accounts where moratorium benefit have been granted, the staging of those accounts is based on the days past due status considering the benefit of moratorium period in accordance with the Reserve Bank of India Covid-19 Regulatory Package.

The Company has used estimation of potential stress on probability of default and exposure at default in the aforesaid context of the pandemic to develop the estimates and assumptions to assess the impairment of financial instruments. The Company has recognized impairment of financial instruments (including write offs) aggregating to INR 663.09 lakhs, INR 2,822.59 lakhs and INR 13,602.68 lakhs for the quarter ended and half year ended 30 September 2021 and for the year ended 31 March 2021 respectively. The impact assessment of COVID-19 is a continuing process. Given its uncertainty in nature and duration, this may have corresponding impact in the financial position and performance of the Company. The Company will continue to monitor any material changes to the future economic conditions.

- 7 In terms of the requirement as per RBI notifications no. RBI/2019-20/170 DOR (NBFC).CC. PD No. 109/22.10.106/2019-20 dated 13 March 2020 on implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income recognition, Asset Classification and Provisioning (IRACP) Norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard asset provisioning) as at 30 September 2021 and accordingly, no amount is required to be transferred to impairment reserve.
- 8 All outstanding non-convertible debt securities are secured by way of an exclusive charge on identified receivables of the Company with security cover ranging between 1 to 1.25 times of outstanding amount on such securities at any point in time.

**Northern Arc Capital Limited**  
**CIN: U65910TN1989PLC017021**  
**Regd. Office: IITM Research Park, Phase 1, 10th Floor, Kanagam Village, Taramani, Chennai - 600 113**

**Notes:**

**9 Analytical ratios / disclosures required under Regulation 52 / 54 of the Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Particulars	Ref	As at 30 September 2021	As at 31 March 2021
Debt-equity ratio	9.1	2.99	2.56
Total debts to total assets	9.2	0.74	0.71
Net worth	9.3	1,63,855.94	1,55,886.02
Capital redemption reserve (Amount in lakhs)		2,660.00	2,660.00
Gross Non-Performing Assets (GNPA) Ratio	9.4	1.15%	2.28%
Net Non-Performing Assets (NNPA) Ratio	9.5	0.39%	0.89%

Particulars	Ref	Quarter ended 30 September 2021	Quarter ended 30 June 2021	Half year ended 30 September 2021	Half year ended 30 September 2020	Year ended 31 March 2021
Net profit margin (%)	9.6	20.75%	16.21%	18.52%	9.06%	8.57%

- 9.1 Debt-equity ratio is (Debt Securities+Borrowings (Other than debt securities)) / net worth i.e. Equity share capital + Other equity  
9.2 Total debts to total assets is Debt Securities and Borrowings (other than debt securities) / Total Assets  
9.3 Net Worth is equal to Equity share capital + Other equity  
9.4 GNPA ratio (excluding write offs) is Gross Stage 3 Loans and Investments / Gross Loans and Investments excluding Investment in subsidiaries  
9.5 NNPA ratio (excluding write offs) is (Gross Stage 3 Loans and Investments - Impairment Loss allowance for Stage 3 Loans and Investments) / (Gross Loans and Investments excluding Investment in subsidiaries - Impairment allowance for Stage 3 Loans and Investments)  
9.6 Net profit margin is Profit After Tax / Total Income

Other ratios / disclosures such as debt service coverage ratio, interest service coverage ratio, outstanding redeemable preference shares (quantity and value), 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.

**10 Previous period's figures have been regrouped / reclassified wherever necessary, to conform with the current period presentation.**

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

KSHAMA Digitally signed  
by KSHAMA  
FERNANDES  
DN:  
c=IN, o=Northern Arc Capital Limited, ou=Northern Arc Capital Limited, email=kshama.fernandes@northernarc.com

**Kshama Fernandes**  
Managing Director & CEO

Place: Goa  
Date: 9 November 2021



November 09, 2021

BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai- 400001

National Stock Exchange of India Ltd.,  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex,  
Bandra (E), Mumbai – 400 051

Dear Sir/Madam,

**Sub: Statement indicating the utilization of issue proceeds of non-convertible debentures under Regulation 52(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the quarter ended on September 30, 2021.**

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With reference to the above, we hereby confirm that, the proceeds of the issue of Non-Convertible Debentures (NCDs) raised up to September 30, 2021, were utilised by Northern Arc Capital Limited for the purpose for which the amounts were raised, as mentioned in the respective offer documents of issue of NCDs.

Kindly take the above intimation on record.

Thanking you.  
Yours sincerely,

**For Northern Arc Capital Limited**



**R Srividhya  
Company Secretary**

November 09, 2021

BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai- 400001

National Stock Exchange of India Ltd.,  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex,  
Bandra (E), Mumbai – 400 051

Dear Sir/Madam,

**Sub: Disclosure of nature and extent of security created for the listed non-convertible debt securities, of the Company as per Regulation 54 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

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Pursuant to Regulation 54 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to intimate that, all outstanding non-convertible debt securities are secured by way of an exclusive charge on identified receivables of the Company with security cover ranging between 1 to 1.25 times of outstanding amount on such securities at any point in time.

Kindly take the above intimation on record.

Thanking you.  
Yours sincerely,

**For Northern Arc Capital Limited**



**R Srividhya  
Company Secretary**