



Ref No.: NACL/12/OCT/2024-25

October 28, 2024

To, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 Scrip Code: 544260	To, National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051 Scrip Symbol: NORTHARC
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Dear Sir/Madam,

Sub: Investor Press Release on the Financial and Operational Performance of the Company for the second quarter and half year ended September 30, 2024.

Ref: Our Intimation letter Ref No. NACL/09/OCT/2024-25 dated October 23, 2024 pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

With reference to above, please find herewith the Investor Press Release on the Financial and Operational Performance of the Company for the second quarter and half year ended September 30, 2024.

This Investor Press release is also available on the website of the Company at www.northernarc.com

You are requested to take the above on record.

Thanking you,

For Northern Arc Capital Limited

Prakash Chandra Panda
Company Secretary & Compliance Officer



CC:

Catalyst Trusteeship Limited,
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Paud Road,
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Northern Arc Capital Limited

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CIN.: U65910TN1989PLC017021



Press Release

Strong Q2FY25 Performance with Robust AUM and PAT growth

Mumbai, October 28, 2024: Northern Arc Capital Limited announced its results for the quarter ended September 30, 2024, on October 28, 2024.

Key highlights for H1FY25 & Q2FY25

- **Pre-provision operating profit (PPoP) grew by 59% YoY to Rs. 387 Cr for H1FY25 and by 74% YoY to Rs. 212 Cr in Q2FY25**
- **Profit after tax grew by 33% YoY to Rs. 191 Cr in H1FY25 and by 24% YoY to Rs. 98 Cr in Q2FY25**
- **Lending Assets Under Management (AUM) grew by 22% YoY to Rs. 12,309 Cr**
- **Gross NPA ratio was 0.60% on September 30, 2024**
- **Return on Assets improved by 16 bps YoY to 3.1% for H1FY25**
- **Fresh Equity capital infusion of Rs. 500 Cr through IPO in Q2FY25**
- **Return on Equity was 13.6% for H1FY25**
- **Total capital adequacy ratio was 24.9% as on September 30, 2024.**

Summary of Northern Arc's Performance – Q2FY25:

➤ **Assets**

- Lending AUM grew by 22% YoY to Rs. 12,309 Cr as on September 30, 2024
- Fund AUM (AIF) was Rs. 2,812 Cr as on September 30, 2024
- Gross Transaction Volume for Q2FY25 was Rs. 9,116 Cr
 - Of which, Disbursements grew by 23% YoY to Rs. 5,035 Cr
- Share of Direct to Customer lending has increased to 52% on September 30, 2024, compared to 43% on September 30, 2023

➤ **Financials**

- Net Interest Income grew by 47% YoY to Rs. 288 Cr in Q2FY25
- Fee & Other income grew by 29% YoY to Rs. 26 Cr in Q2FY25
- PPoP grew by 74% YoY to Rs. 212 Cr in Q2FY25
- Credit cost was Rs. 78 Cr for Q2FY25
- Profit after tax grew by 24% YoY to Rs. 98 Cr in Q2FY25
- Return on Assets was stable at 3.1% for Q2FY25 compared to last year
- Equity capital infusion of Rs. 500 Cr; Return on Equity was 12.7% for Q2FY25



➤ **Asset quality**

- Gross NPA ratio was 0.60% as on September 30, 2024
- Net NPA ratio was 0.18% as on September 30, 2024
- Provisioning coverage ratio on Stage III assets was 72% on September 30, 2024

➤ **Capital Adequacy**

- Capital adequacy ratio was 24.9% on September 30, 2024.

Commenting on the Q2FY25 results MD & CEO Ashish Mehrotra said, *“We are pleased to report another strong quarter of financial results, reflecting the resilience and effectiveness of our strategy. While we recognize the headwinds in today’s landscape, we remain dedicated to executing our vision with operational discipline. We continue to focus on growth in the MSME and other key sectors, while carefully calibrating our approach in the MFI segment. We are confident that our proactive measures, coupled with our diversified business model, will enable us to navigate these challenges and emerge stronger.”*

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 1.89 trillion cumulatively, for its clients, spread across 686 districts in 28 states and 7 Union Territories in India. Our work, including that of our originator partners, has impacted the lives of over 111 million people.

Northern Arc handles an AUM of INR 15,121 crores through its balance sheet and active AIF funds as of September 30, 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 September 30, 2024.*



For Further Information,

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Website of the company:

<https://www.northernarc.com/>