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Initial Public Offer of equity shares on the main board of BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), and together with BSE, the "Stock Exchanges") in compliance with Chapter II of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations").



NORTHERN ARC CAPITAL LIMITED

Our Company was incorporated on March 9, 1989 at Madras, India as 'Highland Leasing & Finance Private Limited', a private limited company under the Companies Act, 1956 and was granted a certificate of incorporation by the Registrar of Companies, Tamil Nadu at Chennai ("RoC"). The name of our Company was changed to 'IFMR Capital Finance Private Limited' and a fresh certificate of incorporation dated June 19, 2009 was issued by the RoC. Our Company was then converted into a public limited company under the Companies Act, 2013, and consequently, the name of our Company was changed to 'IFMR Capital Finance Limited' and a fresh certificate of incorporation dated December 12, 2017 was issued by the RoC. Subsequently, the name of our Company was changed to 'Northern Arc Capital Limited' and a fresh certificate of incorporation dated February 20, 2018 was issued by the RoC. For further details in relation to changes in the name and the registered office of our Company, see "History and Certain Corporate Matters" beginning on page 318 of the red herring prospectus dated September 9, 2024, filed with the Registrar of Companies, Tamil Nadu at Chennai ("RoC"). read with the corrigendum to the red herring prospectus dated September 12, 2024 (together, the "RHP"). Our Company is registered with the Reserve Bank of India (the "RBI") as a non-banking financial company ("NBFC") not accepting public deposits (certificate of registration No. B-07.00430). For further details, see "Government and Other Approvals" beginning on page 522 of the RHP.
Registered and Corporate Office: No. 1, Kanagam Village, 10th Floor, IITM Research Park, Taramani, Chennai - 600 113, Tamil Nadu, India. **Contact Person:** Prakash Chandra Panda, Company Secretary and Compliance Officer, Tel: +91 44 6668 7000; E-mail: investors@northernarc.com; **Website:** www.northernarc.com, **Corporate Identity Number:** U65910TN1989PLC017021



(Please scan this QR code to view the RHP and the Abridged Prospectus)

OUR COMPANY DOES NOT HAVE AN IDENTIFIABLE PROMOTER

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF NORTHERN ARC CAPITAL LIMITED (OUR "COMPANY" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE) (THE "OFFER PRICE") AGGREGATING UP TO ₹[●] MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES OF FACE VALUE ₹10 EACH AGGREGATING UP TO ₹5,000.00 MILLION BY OUR COMPANY (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 10,532,320 EQUITY SHARES OF FACE VALUE ₹10 EACH AGGREGATING UP TO ₹[●] MILLION COMPRISING UP TO 3,844,449 EQUITY SHARES OF FACE VALUE ₹10 EACH AGGREGATING UP TO ₹[●] MILLION BY LEAPFROG FINANCIAL INCLUSION INDIA (II) LTD, UP TO 1,263,965 EQUITY SHARES OF FACE VALUE ₹10 EACH AGGREGATING UP TO ₹[●] MILLION BY ACCION AFRICA-ASIA INVESTMENT COMPANY, UP TO 1,746,950 EQUITY SHARES OF FACE VALUE ₹10 EACH AGGREGATING UP TO ₹[●] MILLION BY EIGHT ROADS INVESTMENTS MAURITIUS II LIMITED (FORMERLY KNOWN AS FIL CAPITAL INVESTMENTS (MAURITIUS) II LIMITED), UP TO 1,344,828 EQUITY SHARES OF FACE VALUE ₹10 EACH AGGREGATING UP TO ₹[●] MILLION BY DVARA TRUST (REPRESENTED BY ITS CORPORATE TRUSTEE, DVARA HOLDINGS (FORMERLY KNOWN AS DVARA HOLDINGS PRIVATE LIMITED AND AS DVARA TRUSTEESHIP SERVICES PRIVATE LIMITED)), UP TO 1,408,918 EQUITY SHARES OF FACE VALUE ₹10 EACH AGGREGATING UP TO ₹[●] MILLION BY 360 ONE SPECIAL OPPORTUNITIES FUND (FORMERLY KNOWN AS IIFL SPECIAL OPPORTUNITIES FUND) AND UP TO 923,210 EQUITY SHARES OF FACE VALUE ₹10 EACH AGGREGATING UP TO ₹[●] MILLION BY SUMITOMO MITSUI BANKING CORPORATION, (COLLECTIVELY REFERRED TO AS THE "SELLING SHAREHOLDERS", AND EACH INDIVIDUALLY, AS A "SELLING SHAREHOLDER" AND SUCH OFFER FOR SALE OF EQUITY SHARES BY THE SELLING SHAREHOLDERS, THE "OFFER FOR SALE"). THE OFFER INCLUDES A RESERVATION OF UP TO 590,874 EQUITY SHARES OF FACE VALUE ₹10 EACH, AGGREGATING UP TO ₹[●] MILLION, FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES NOT EXCEEDING 5% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●]% AND [●]%, RESPECTIVELY, OF THE FULLY DILUTED POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

DETAILS OF THE OFFER FOR SALE

NAME OF SELLING SHAREHOLDER	TYPE	NUMBER OF EQUITY SHARES OFFERED / AMOUNT	WACA (IN ₹)*	NAME OF SELLING SHAREHOLDER	TYPE	NUMBER OF EQUITY SHARES OFFERED / AMOUNT	WACA (IN ₹)*
LeapFrog Financial Inclusion India (II) Ltd	Investor Selling Shareholder	Up to 3,844,449 Equity Shares of face value ₹10 each aggregating up to ₹[●] million	48.83	Eight Roads Investments Mauritius II Limited (formerly known as FIL Capital Investments (Mauritius) II Limited)	Investor Selling Shareholder	Up to 1,746,950 Equity Shares of face value ₹10 each aggregating up to ₹[●] million	121.23
Accion Africa-Asia Investment Company	Investor Selling Shareholder	Up to 1,263,965 Equity Shares of face value ₹10 each aggregating up to ₹[●] million	26.64	Dvara Trust (represented by its corporate trustee, Dvara Holdings (formerly known as Dvara Holdings Private Limited and as Dvara Trusteeship Services Private Limited))	Investor Selling Shareholder	Up to 1,344,828 Equity Shares of face value ₹10 each aggregating up to ₹[●] million	4.10
360 ONE Special Opportunities Fund (formerly known as IIFL Special Opportunities Fund)	Investor Selling Shareholder	Up to 1,408,918 Equity Shares of face value ₹10 each aggregating up to ₹[●] million	197.02	Sumitomo Mitsui Banking Corporation	Investor Selling Shareholder	Up to 923,210 Equity Shares of face value ₹10 each aggregating up to ₹[●] million	197.02

*Weighted average cost of acquisition per Equity Share, as certified by M/s Kumbhat & Co, Chartered Accountants, pursuant to their certificate dated September 9, 2024.

Our Company is registered as an NBFC, and our business is regulated by the RBI. We are a financial services platform set up with the mission to cater to the retail credit requirements of the under-served households and businesses in India. We have developed domain expertise in enabling credit across our focused sectors in India, namely, micro, small and medium enterprises ("MSMEs") financing, microfinance ("MFI"), consumer finance, vehicle finance, affordable housing finance and agricultural finance. We cater to the retail credit market in India through a multi-channel approach that includes: (i) extending financing from our balance sheet ("Lending"), to Originator Partners in the form of loans or investment in their debt to enable on-lending to the retail customer ("Intermediate Retail Lending") and directly to under-served households and businesses ("Direct to Customer Lending") either in collaboration with our Retail Lending Partners or through our branch network to offer rural finance and MSME lending; (ii) working with a large network of Investor Partners to structure and syndicate financing through a variety of debt, credit-enhanced debt and portfolio financing products for our Originator Partners, thus enabling credit for our Originator Partners ("Placements"); and (iii) managing debt funds and providing portfolio management services ("Fund Management").

The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations
QIB Portion: Not more than 50% of the Net Offer | Non-Institutional Portion: Not less than 15% of the Net Offer | Retail Portion: Not less than 35% of the Net Offer
Employee Reservation Portion: Up to 590,874 Equity Shares aggregating up to ₹ [●] Million

PRICE BAND: ₹ 249 TO ₹ 263 PER EQUITY SHARE OF FACE VALUE OF ₹10 EACH.
THE FLOOR PRICE AND THE CAP PRICE ARE 24.90 TIMES AND 26.30 TIMES THE FACE VALUE OF THE EQUITY SHARES, RESPECTIVELY.
BIDS CAN BE MADE FOR A MINIMUM OF 57 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AND IN MULTIPLES OF 57 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH THEREAFTER.
A DISCOUNT OF ₹ 24 PER EQUITY SHARE IS BEING OFFERED TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION.
THE PRICE TO EARNINGS RATIO BASED ON DILUTED EPS FOR FISCAL 2024 AT THE UPPER END OF THE PRICE BAND IS 11.24 TIMES
AS COMPARED TO THE AVERAGE INDUSTRY PEER GROUP PE RATIO OF 23.28 TIMES WEIGHTED AVERAGE RETURN ON NETWORTH FOR LAST THREE FINANCIAL YEARS IS 12.24%.

In accordance with the recommendation of the Independent Directors of our Company, pursuant to their resolution dated September 10, 2024, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the 'Basis for Offer Price' section of the RHP vis-a-vis the weighted average cost of acquisition ("WACA") of primary and secondary transaction(s), as applicable, disclosed in 'Basis for Offer Price' section on page 166 of the RHP.

In making an investment decision and purchase in the Offer, potential investors must only rely on the information included in the RHP and the terms of the Offer, including the merits and risks involved and not rely on any other external sources of information about the Offer available in any manner.

RISKS TO INVESTORS

(For details refer to section titled "Risk Factors" on page 38 of the RHP)

1. **Risk related to Diversified Business Model:** We operate a diversified business model that exposes us to various risks and an inability to manage such risks may have an adverse effect on our business, results of operations, cash flows and financial condition and any adverse developments in our focused sectors could adversely affect our business, results of operations, cash flows and financial condition. Set out below are certain operational and financial parameters in relation to the diversification and size of our business model, as of and for the Fiscals indicated:

Particulars	As of and for the financial year ended March 31,		
	2024	2023	2022
Cumulative number of Originator Partners on boarded	328	298	278
Cumulative number of Investor Partners	1,158	871	700
Number of Retail Lending Partners	50	46	38
Direct to Customer Borrowers	1,608,871	816,397	465,975
Total number of end-borrowers	1,609,046	816,559	466,148
Number of districts in India	671	676	636
Gross Transaction Volumes ("GTV") (₹ million)	293,236.80	273,851.59	198,964.29
Total income (₹ million)	19,060.33	13,112.00	9,165.45
Restated profit for the year (₹ million)	3,176.93	2,422.14	1,819.38

2. **Credit Risk:** If our borrowers default in their repayment obligations it may lead to increased levels of non-performing assets ("NPA"), related provisions and write-offs, our business, results of operations, cash flows and financial condition may be adversely affected. A significant portion of our investments are in credit facilities and debt instruments that are unsecured, and/or subordinated to other creditors. An inability to recover such investments may result in increased levels of NPAs, which could adversely affect our business, prospects, results of operations, cash flows and financial condition. Details are as follows:

Particulars	As of for the financial year ended March 31,		
	2024	2023	2022
	(₹ million, unless otherwise indicated)		
AUM (A)	117,100.19	90,086.93	71,083.17
Gross Carrying Amount - Loans - Stage 3 (B)	500.33	670.25	325.26
Gross Carrying Amount - Investments - Stage 3 (C)	-	-	24.90
Write off on financial instruments – loans (D)	3,228.79	8.56	337.80
Write off on financial instruments – investments (E)	-	-	750.00

Particulars	As of for the financial year ended March 31,		
	2024	2023	2022
	(₹ million, unless otherwise indicated)		
Write off on financial instruments –recovery (F)	(2,254.44)	(26.67)	(18.94)
Total impaired exposures as a percentage of AUM [G=(B + C + D +E+F) / (A)] (%)	1.25%	0.72%	2.00%
Non-financial liabilities - Provisions	320.66	333.54	224.57
Provision coverage ratio - Stage 3 assets (%)	82.67%	47.84%	57.32%

3. **Balance Sheet Risk:** We may face asset-liability mismatches which would expose us to interest rate and liquidity risks that could have a material and adverse effect on our business, results of operations, cash flows and financial condition.
4. **Financing Risk:** Our business requires funds regularly, and if we are unable to obtain adequate financing or financing on terms satisfactory to us, as and when we require it, our ability to grow or support our business and to respond to business challenges would be limited and our business, profitability, prospects, financial condition, cash flows and results of operations would be materially and adversely affected. Details of borrowings in the last three financial years have been disclosed herein below:

Particulars	As of for the financial year ended March 31,		
	2024	2023	2022
	(₹ million, unless otherwise stated)		
Borrowings (other than debt securities) (A)	76,340.31	57,702.99	45,994.26
Debt securities (B)	14,137.25	12,243.16	13,435.97
Subordinated Liabilities (C)	-	399.51	399.35
Total Borrowings (D=A+B+C)	90,477.56	70,345.66	59,829.58

5. **Customer Risk:** Our business operations involve direct and indirect exposures to relatively high credit risk borrowers in the under-served households and businesses of India. Any large-scale defaults in this category could adversely affect our business, results of operations, cash flows and financial condition.
6. **Regulatory Risk:** Non-compliance with the RBI's or any other regulators' observations made during their inspections could expose us to penalties and restrictions as well as cancellation of our license, which could have a material and adverse effect on our business, financial condition, results of operation and cash flows.

...continued from previous page.

7. **Compliance Risk:** Our inability in the future to comply with or any delay in compliance with the strict regulatory requirements with respect to our listed non-convertible debentures may have an adverse effect on our business, results of operations, cash flows and financial condition. Additionally, the trading in our NCDs may be limited or sporadic, which may affect our ability to raise debt financing in future. Further, there have been certain instances of delay or other non-compliance with legal or regulatory requirements, including with respect to form filings and intimations under the Companies Act, and with the SEBI, RBI and the BSE and there have been irregularities in a certain regulatory filing made with the RoC under applicable law.
8. **Losses and negative cash flow from operating activities in the past:** We have had negative cash flows in the past and may continue to have negative cash flows in the future. Negative cash flows over extended periods, or significant negative cash flows in the short term, may materially impact our ability to operate our business and implement our growth plans.
- | Particulars | Fiscal 2024 | Fiscal 2023 | Fiscal 2022 |
|---|-------------|-------------|-------------|
| | (₹ million) | | |
| Net cash flow from/ (used in) operating activities (A) | (21,344.45) | (12,956.54) | (13,255.02) |
| Net cash from/ (used in) investing activities (B) | 360.45 | (1,194.71) | (3,855.19) |
| Net cash flow from/ (used in) financing activities (C) | 20,454.61 | 9,279.53 | 20,281.19 |
| Net increase/ (decrease) in cash and cash equivalents (A+B+C) | (529.39) | (4,871.72) | 3,170.98 |
| Cash and cash equivalents at the beginning of the year | 2,323.40 | 7,151.74 | 3,980.76 |
| Additions on acquisition of specified assets and liabilities | - | 43.38 | - |
| Cash and cash equivalents at the end of the year | 1,794.01 | 2,323.40 | 7,151.74 |
9. **Delay in payments of Statutory Dues:** There have been certain instances of delays in payment of statutory dues in the past. Any delay in payment of statutory dues in future, may result in the imposition of penalties and in turn may have an adverse effect on our business, financial condition, results of operation and cash flows.
10. **Technology Risk:** We rely significantly on our technology platforms and systems for our business and operations and any failure, disruption, downtime, inadequacy or security breach in such systems could adversely affect our business, reputation, results of operations, cash flows and financial condition.
11. Our Company will not receive any proceeds from the Offer for Sale portion.
12. Average cost of acquisition of Equity Shares for our Selling Shareholders in the Offer is as stated in the below table and the Offer Price at the upper band of the price band is ₹ 263

Name of the Selling Shareholder	Number of specified securities acquired	Average cost of acquisition per specified security (in ₹) ⁽¹⁾
LeapFrog Financial Inclusion India (II) Ltd	29,952,665	48.83
Accion Africa-Asia Investment Company	7,699,529	26.64
Eight Roads Investments Mauritius II Limited (<i>formerly known as FIL Capital Investments (Mauritius) II Limited</i>)	13,610,748	121.23
Dvara Trust (represented by its corporate trustee, Dvara Holdings (<i>formerly known as Dvara Holdings Private Limited and as Dvara Trusteeship Services Private Limited</i>))	9,644,086	4.10
360 ONE Special Opportunities Fund (<i>formerly known as IIFL Special Opportunities Fund</i>)	4,390,170	197.02
Sumitomo Mitsui Banking Corporation	7,004,364	197.02

⁽¹⁾As certified by M/s Kumbhat & Co, Chartered Accountants, by way of their certificate dated September 9, 2024.

BID/OFFER PROGRAMME

ANCHOR INVESTOR BIDDING DATE : FRIDAY, SEPTEMBER 13, 2024

BID/OFFER OPENED ON : MONDAY, SEPTEMBER 16, 2024

BID/OFFER CLOSES ON : THURSDAY, SEPTEMBER 19, 2024⁽¹⁾

⁽¹⁾UPI mandate end time and date shall be at 5.00 p.m. on the Bid/Offer Closing Date.

Notice to Investors: Addendum to the Red Herring Prospectus

This addendum (“**Addendum**”) is with reference to the red herring prospectus dated September 9, 2024, read with the corrigendum to the red herring prospectus dated September 12, 2024 (together, the “**RHP**”), filed with the Registrar of Companies, Tamil Nadu at Chennai. Potential Bidders may note the following:

1. Pursuant to a resolution dated September 15, 2024 passed by our Board and resolution dated September 16, 2024 passed by our Shareholders, the authorized share capital of our Company has been increased from ₹2,770,000,000 divided into 160,000,000 Equity Shares of ₹10 each and 58,500,000 compulsorily convertible preference shares of ₹20 each to ₹2,820,000,000 divided into 165,000,000 Equity Shares of ₹10 each and 58,500,000 compulsorily convertible preference shares of ₹20 each. Accordingly, details of the authorized share capital of our Company, as disclosed in section titled “*Capital Structure*” on page 118 of the RHP, stand updated.

2. Further, as a consequence of the above, the disclosure in the section titled “*History and Certain Corporate Matters – Amendments to the Memorandum of Association*” on page 319 of the RHP stands updated in the manner set out below:

Date of Shareholders’ Resolution	Nature of Amendment
September 16, 2024	Clause V of the Memorandum of Association was amended to reflect the increase in the authorized share capital of the Company from ₹2,770 million divided into 160 million Equity Shares of ₹10 each and 58.5 million CCPS of ₹20 each to ₹2,820 million divided into 165 million Equity Shares of ₹10 each and 58.5 million CCPS of ₹20 each.

All capitalized terms used in this Addendum shall, unless the context otherwise requires, have the same meaning as ascribed in the RHP.

The information in this Addendum supplements and updates the information in the RHP and the above changes are to be read in conjunction with the RHP. This Addendum does not reflect all the changes that have occurred between the date of the RHP and the date hereof. The information included in the RHP will be suitably updated, including to the extent stated in this Addendum, in the Prospectus, as and when filed with the RoC, SEBI and the Stock Exchanges.

THE EQUITY SHARES OF OUR COMPANY WILL GET LISTED ON MAIN BOARD PLATFORM OF BSE AND NSE

ASBA[#]

Simple, Safe, Smart way of Application!!!

[#] Applications supported by blocked amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account, For further details, check section on ASBA.

Mandatory in public issues. No cheque will be accepted.

UPI
UNIFIED PAYMENTS INTERFACE

UPI-Now available in ASBA for Retail Individual Investors and Non - Institutional Investor applying for amount upto ₹ 5,00,000/-, applying through Registered Brokers, DPs and RTAs. UPI Bidder also have the option to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account. Investors are required to ensure that the bank account used for bidding is linked to their PAN. Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020, issued by the Central Board of Direct Taxes and the subsequent press releases, including press releases dated June 25, 2021 and September 17, 2021 and CBDT circular no.7 of 2022, dated March 30, 2022 read with press release dated March 28, 2023 and any subsequent press releases in this regard.

ASBA has to be availed by all the investors except anchor investors. UPI may be availed by (i) Retail Individual Investors in the Retail Portion; (ii) Non-Institutional Investors with an application size of up to ₹ 500,000 in the Non-Institutional Portion. For details on the ASBA and UPI process, please refer to the details given in ASBA form and abridged prospectus and also please refer to the section “*Offer Procedure*” on page 546 of the RHP. The process is also available on the website of Association of Investment Bankers of India (“AIBI”) and Stock Exchanges and in the General Information Document. ASBA bid-cum-application forms can be downloaded from the websites of the Stock Exchanges and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=35 and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=43>, respectively as updated from time to time. For the list of UPI apps and banks live on IPO, please refer to the link: www.sebi.gov.in. UPI Bidders Bidding using the UPI mechanism may apply through the SCSBs and mobile applications whose names appear on the website of SEBI, as updated from time to time. Kotak Mahindra Bank Limited and HDFC Bank Limited have been appointed as Sponsor Banks for the Offer, in accordance with the requirements of the SEBI Circular dated November 1, 2018 as amended. For Offer related queries, please contact the BRLMs on their respective email IDs as mentioned below. For UPI related queries, investors can contact NPCI at the toll free number : 18001201740 and mail id: upi.upi@npci.org.in.

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE OFFER	COMPANY SECRETARY AND COMPLIANCE OFFICER
				Prakash Chandra Panda Northern Arc Capital Limited No. 1, Kanagam Village, 10 th Floor, IITM Research Park, Taramani, Chennai - 600 113, Tamil Nadu, India Tel: +91 44 6668 7000 E-mail: investors@northernarc.com Investors may contact the Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related grievances including non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, Investors may also write to the BRLMs.
ICICI Securities Limited ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025, Maharashtra, India Tel: + 91 22 6807 7100 E-mail: northernarc ipo@icicisecurities.com Website: www.icicisecurities.com Investor grievance e-mail: customercare@icicisecurities.com Contact Person: Rupesh Khant SEBI Registration No.: INM000011179	Axis Capital Limited 1 st Floor, Axis House, P.B. Marg, Worli, Mumbai - 400 025, Maharashtra, India Tel: +91 22 4325 2183 E-mail: northernarc.ipo@axiscap.in Website: www.axiscapital.co.in Investor grievance e-mail: complaints@axiscap.in Contact Person: Pratik Pednekar/Mayuri Arya SEBI Registration No.: INM000012029	Citigroup Global Markets India Private Limited 1202, 12 th Floor, First International Financial Center, G - Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 098, Maharashtra, India Tel: +91 22 6175 9999 E-mail: Northernarcipo@citi.com Website: www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm Investor grievance e-mail: investors.cgmib@citi.com Contact Person: Dylan Fernandes SEBI Registration No.: INM000010718	KFin Technologies Limited Selenium Tower-B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032, Telangana, India Tel: +91 40 6716 2222 E-mail: nad.ipo@kfintech.com Website: www.kfintech.com Investor grievance e-mail: einward.ris@kfintech.com Contact Person: M. Murali Krishna SEBI Registration No.: INR000000221	

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

Place: Chennai, Tamil Nadu
Date: September 16, 2024

NORTHERN ARC CAPITAL LIMITED is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to make an initial public offering of its Equity Shares and has filed the RHP with RoC. The RHP shall be available on the website of SEBI at www.sebi.gov.in, as well as on the websites of the Stock Exchanges i.e. BSE and NSE at www.bseindia.com and www.nseindia.com, respectively, on the website of the Company at www.northernarc.com and on the websites of the BRLMs, i.e. ICICI Securities Limited, Axis Capital Limited and Citigroup Global Markets India Private Limited at www.icicisecurities.com, www.axiscapital.co.in and www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm, respectively. Any potential investors should note that investment in equity shares involves a high degree of risk and for details relating to such risk, see “*Risk Factors*” on page 38 of the RHP. Potential Bidders should not rely on the DRHP filed with SEBI for making any investment decision and instead should place reliance on the RHP.

This announcement does not constitute an invitation or offer of securities for sale in any jurisdiction. The Equity Shares in the Offer have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside of the United States to investors in offshore transactions as defined in and in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. There will be no public offering in the United States.

13. The Price to Earnings Ratio based on the Basic and Diluted EPS at the upper end of the Price Band is 7.60 times and 11.24 times respectively as compared to the average industry Peer Group PE Ratio of 23.28

14. Weighted Average Return on Net Worth for the Financial Years 2024, 2023 and 2022 is 12.24%

15. Weighted average cost of acquisition of all specified securities transacted over the three years, 18 months and one year preceding the date of the Red Herring Prospectus:

Period	Weighted Average Cost of Acquisition (WACA) (in ₹) ⁽¹⁾	Cap Price is 'X' times the WACA ⁽¹⁾	Range of acquisition price: lowest price – highest price (in ₹) ⁽¹⁾
Last one year	212.83	1.24	10 – 338.25
Last eighteen months	213.70	1.23	10 – 338.25
Last three years	214.51	1.23	10 – 338.25

⁽¹⁾As certified by M/s Kumbhat & Co, Chartered Accountants, pursuant to the certificate dated September 10, 2024.

16. Weighted average cost of acquisition of primary and secondary issuances as compared to Floor Price and Cap Price:

Past Transactions	Weighted average cost of acquisition (in ₹) ⁽¹⁾	Floor Price (in times) ⁽¹⁾	Cap Price (in times) ⁽¹⁾
The weighted average cost of acquisition during the last 18 months preceding the date of filing of the DRHP through a primary/new issue of shares (equity/convertible securities), excluding issuance of bonus shares, if any, where the issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction/s), in a single transaction or multiple transactions combined together over a span of rolling 30 days.	210.97	1.18	1.25

⁽¹⁾ As certified by M/s Kumbhat & Co, Chartered Accountants, vide their certificate dated September 10, 2024.

17. The three BRLMs associated with the Offer have handled 74 public issues in the past three financial years, out of which 17 issues closed below the Offer Price on listing date:

Name of the BRLMs	Total Public Issues	Issues closed below Offer Price on listing date
ICICI Securities Limited*	27	7
Axis Capital Limited*	20	5
Citigroup Global Markets India Private Limited*	5	0
Common Issues handled by the BRLMs	22	5
Total	74	17

* Issues handled where there are no common BRLMs.