



Ref No.: NACL/03/AUG/2024-25

August 03, 2025

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

**Sub: Business Responsibility Sustainability Report of Northern Arc Capital Limited (“Company”) for the Financial Year 2024-25.**

**Ref: Intimation under Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

With reference to the above, please find enclosed the Business Responsibility Sustainability Report for the financial year 2024-25. The said report forms part of the Annual Report for FY 2024-25.

The Annual Report for the financial year 2024-25 is also available at the website of the Company at [www.northernarc.com](http://www.northernarc.com)

**For Northern Arc Capital Limited**

**Prakash Chandra Panda**  
**Company Secretary & Compliance Officer**

**CC:**  
Catalyst Trusteeship Limited,  
GDA House, Plot No.85,  
Bhusari Colony (Right),  
Paud Road,  
Pune 411 038.

Encl a/a

**Northern Arc Capital Limited**

**Registered Office:**

10th Floor, Phase-I, IIT-Madras Research Park, Kanagam Village, Taramani, Chennai – 600 113, India

+91 44 6668 7000 | [contact@northernarc.com](mailto:contact@northernarc.com) | [www.northernarc.com](http://www.northernarc.com)

CIN.: L65910TN1989PLC017021

# Business Responsibility & Sustainability Report FY 2025

## SECTION A: GENERAL DISCLOSURE

### I. DETAILS OF THE LISTED ENTITY

1. Corporate Identity Number (CIN) of the Listed Entity: **L65910TN1989PLC017021**
2. Name of the Listed Entity: **Northern Arc Capital Limited**
3. Year of incorporation: **1989**
4. Registered office address: **10th Floor, IIT Madras Research Park, 1 Kanagam Village, Taramani, Chennai - 600 113, Tamil Nadu.**
5. Corporate address: **10th Floor, IIT Madras Research Park, 1 Kanagam Village, Taramani, Chennai - 600 113, Tamil Nadu.**
6. E-mail: [Sustainability@northernarc.com](mailto:Sustainability@northernarc.com)
7. Telephone: **+91 44 6668 7000**
8. Website: <https://www.northernarc.com/>
9. Financial year for which reporting is being done: **April 2024 to March 2025**
10. Name of the Stock Exchange(s) where shares are listed: **BSE Limited and National Stock Exchange of India Limited**
11. Paid-up Capital: **INR 16,137.93 Lakhs**
12. Name and contact details (telephone, email address) of the person who may be contacted in case of the queries on the BRSR Report:  
**Name: Shakeel Ahamed**  
**Designation: Head – Senior Vice President - Legal**  
**Phone No.: +918754508977**  
**Email address: [sustainability@northernarc.com](mailto:sustainability@northernarc.com)**
13. Reporting Boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together): **The disclosures are on a standalone basis.**
14. Name of assurance provider: **Not Applicable**
15. Type of assurance obtained: **Not Applicable**

### II. PRODUCTS / SERVICES

#### 16. Details of Business activities (accounting for 90% of the turnover):

S.No	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Financial Service	Non- Banking Financial services	100

#### 17. Products / Services sold by the entity (accounting for 90% of the entity's turnover):

S.No	Products / Services	NIC Code	% of total turnover contributed
1	Financial Service	64990	100

### III. OPERATIONS

#### 18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Plants	Number of Offices	Total
National	-	73*	73*
International	-	-	-

\*Northern Arc Capital operated offices

#### 19. Markets Served by the entity:

##### a. Number of locations

Location	Number
National (No. of States)	8
International (No of Countries)	-

##### b. What is the contribution of exports as a percentage of the total turnover of the entity?

Not Applicable

##### c. A brief on types of customers

Northern Arc Capital serves a diverse range of customers, primarily focused on underserved and emerging segments. Their key customer types include:

- Rural and Retail Customers** – Individuals and small businesses in rural and semi-urban areas, served through its rural financing platforms – Pragati Finserv Private Limited
- MSMEs** – Micro, Small, and Medium Enterprises needing flexible credit products such as Loan Against Property (LAP) and working capital solutions.
- Originator Partners** – Our network of financial institution partners, technology platforms (such as Fintechs), and other entities that act as business correspondents to originate financial exposure.
- Emerging Corporates** – Businesses in sectors like healthcare, logistics, agriculture, clean energy, education, and B2B services that require tailored financing solutions.
- Institutional Investors** – Domestic and international investors from whom we enable credit for our Originator Partners through various financing products.

### IV. Employees

#### 20. Details as at the end of Financial Year:

##### a. Employees and workers (including differently abled)

S.No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1	Permanent (D)*	1080	904	84%	176	16%
2	Other than Permanent (E)**	30	25	83%	5	17%
3	Total Employees (D+E)	1110	929	84%	181	16%
WORKERS						
4	Permanent (F)					
5	Other than Permanent (G)					
6	Total Workers (F+G)					

\*Includes employees at corporate and branch offices in all locations, except subsidiaries.

\*\*Includes consultants and contract employees engaged by the company, except subsidiaries.

## b. Differently abled Employees and workers:

S.No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1	Permanent (D)*	1	1	100%	0	0
2	Other than Permanent (E)**	0	0	0	0	0
3	Total Differently Abled Employees (D+E)	1	1	100%	0	0
WORKERS						
4	Permanent (F)					
5	Other than Permanent (G)			Not Applicable		
6	Total Workers (F+G)					

\*Includes employees at corporate and branch offices in all locations, except subsidiaries.

\*\*Includes consultants and contract employees engaged by the company, except subsidiaries

## 21. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and Percentage of Female	
		No. (B)	% (B/A)
Board of Directors	8	2	25%
Key Management Personnel	3	0	0%

## 22. Turnover rate for permanent employees and workers

	FY 2025 (Turnover rate in current FY)			FY 2024 (Turnover rate in previous FY)			FY 2023 (Turnover rate in the year prior to previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees*	40.15%	27.22%	67.38%	43.46%	28.77%	72.22%	29.92%	35.29%	65.22%
Permanent Workers	Not Applicable								

\*Includes employees at corporate and branch offices in all locations, except subsidiaries.

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

## 23. a. Names of holding / subsidiary / associate companies / joint ventures

S.No	Name of the Holding / Subsidiary / Associate Companies / Joint Ventures (A)	Indicate whether Holding / Subsidiary / Associate / Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity (Yes/No)
1	Northern Arc Investment Managers Pvt. Ltd.	Subsidiary	100	Yes
2	Northern Arc Investment Adviser Pvt. Ltd.	Subsidiary	100	Yes
3	Northern Arc Securities Pvt. Ltd.	Subsidiary	100	Yes
4	Northern Arc Foundation	Subsidiary	100	Yes
5	Pragati Finserv Pvt. Ltd.	Subsidiary	90.10	Yes

## VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013 (Yes/No): **Yes**
- (ii) Turnover (in Rs.): **INR 2,29,651.46 Lakhs**
- (iii) Net worth (in Rs.): **INR 3,40,915.46 Lakhs**

## VII. Transparency and Disclosures Compliance

### 25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2025 (Current Financial Year)			FY 2024 (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	-	-	-	-	-	-
Investors (other than shareholders)	Yes	-	-	-	-	-	-
Shareholders	Yes <a href="https://www.northernarc.com/disclosures-investor-contact">https://www.northernarc.com/disclosures-investor-contact</a>	53	-	-	-	-	-
Employees and workers	Yes	-	-	-	-	-	-
Customers	Yes	936	-	-	91	-	-
Value Chain Partners	Yes	-	-	-	-	-	-

### 26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

S. No	Material Issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Responsible & Ethical Conduct of Business	Risk	As a regulated NBFC (RBI, SEBI, IRDAI etc.), Northern Arc must comply with multiple regulatory frameworks. Non-compliance could lead to penalties, higher scrutiny, or limitations on operations and product offerings.	The Company is committed to upholding high standards of business integrity through the adoption of key policies such as the Anti-Bribery and Anti-Corruption Policy, Whistleblower Policy, Anti-Money Laundering Policy, Employee Code of Conduct, Code of Conduct for Directors and Senior Management, and the Collections Code of Conduct.	Negative: Legal costs, reputational damage, Fines, regulatory restrictions, and regulatory scrutiny

S. No	Material Issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			Further, Northern Arc raises capital from institutional investors and provides credit solutions to the underserved population, that are financially vulnerable segments, through originator partners (NBFCs) and retail branches. Any lapse in ethical behavior or governance may lead to regulatory penalties, loss of investor and borrower confidence, causing reputational damage.	To ensure effective implementation, the Company has established centralized compliance tracking, conducts regular internal and external audits, and provides periodic training on AML, POSH, and insider trading regulations. A strong whistleblower mechanism and robust governance protocols further reinforce the Company's commitment to ethical conduct and regulatory compliance	
2	Prudent Enterprise Risk Management (ERM)	Risk	Northern Arc's complex financial structures (e.g., securitizations, pooled loans) require disciplined and forward-looking risk management to prevent default concentration or operational losses.	The company has a strong and centralized ERM system which mandated regular stress tests, enhance partner due diligence, and integrate risk signals into real-time dashboards. The ERM is periodically reviewed by the Northern Arc Operational Risk Committee.	Negative: Provisioning requirements, rating downgrades
3	Technological Innovation	Opportunity	Technology platforms enable scalable, efficient, and risk-informed lending and investing operations. Innovation provides a competitive edge in product delivery and underwriting precision.		Positive: Lower operating costs, faster product cycles, better decision-making
4	ESG Integration	Risk	Failure to integrate ESG principles into its organizational operation and lending practice may lead to exclusion from ESG-focused capital pools and regulatory backlash and also lead to credit risk.	Northern Arc has embedded ESG parameters in the credit underwriting through ESG Due Diligence, promote ESG-focused financial products, enhance ESG disclosure and monitoring systems for partners, and proactively address ESG-related risks.	Negative: Credit loss, and limited investor access

S. No	Material Issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
		Opportunity	Growing demand from global investors for ESG-compliant investment options creates a strong opportunity for Northern Arc to channel capital to socially responsible sectors while differentiating itself in the NBFC market.		Positive: Access to ESG capital, investor trust, product innovation
5	Human Rights & Labour Practice	Risk	Internal practices related to employee rights, equal opportunity, non-discrimination, and workplace safety are critical for compliance and workforce morale. Any violations could lead to employee attrition, legal issues, and reputational harm.	Northern Arc has adopted policies that govern the human rights of its employees, ensures compliance with labour laws (including POSH and safety standards), promote DEI practices, and conduct regular employee engagement and grievance redressal mechanism. The employees are provided training on the human resources policies (including human rights).	Negative: Workforce instability, legal liability, brand erosion.
6	Responsible Lending & Underwriting	Risk	Misaligned products or poor understanding of borrower cash flows may create over indebtedness and increase default risk.	Northern Arc performs cash-flow-based underwriting, leverage alternate data, and build borrower-centric products with flexible repayment terms.	Negative: Rise in Non-Performing Loan, reputational damage, regulatory interventions and potential litigations
7	Customer Relationship Management	Risk	Poor borrower engagement or lack of personalization may reduce satisfaction and retention, impacting cross-sell and collection efforts.	Northern Arc has deployed CRM tools to enhance its customer relationship management process. The Client Experience Committee oversees and enhances customer engagement, service quality, and grievance resolution, ensuring a client-centric approach.	Risk Negative: Reduced retention, and increase in bad loans
		Opportunity	Deepening engagement enhances loyalty and cross-sell potential attributing to increased customer base		Positive: Higher wallet share and customer retention and better quality portfolio.

S. No	Material Issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
8	Data Privacy & Cybersecurity	Risk	Northern Arc's business model relies heavily on data-driven underwriting, and digital platforms. These platforms handle sensitive customer, partner, and investor data. Given the rising sophistication of cyber threats, data breaches could severely impact operational trust, invite regulatory penalties, and erode confidence among institutional investors and retail customers.	Northern Arc has a Chief Information Security Officer who is responsible for establishing and implementing information security framework ensuring data protection, regulatory compliance, and the implementation of robust cybersecurity measures across systems and operations.	Negative: Regulatory fines, Loss due to ransom payouts, if not insured. Irretrievable Loss of critical data Loss/leak of customer PII, remediation costs, reputational damage, and investor distrust



## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

S.No	Disclosure Question	P-1	P-2	P-3	P-4	P-5	P-6	P-7	P-8	P-9
Policy and management processes										
1.	a. Whether your entity’s policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c. Web Link of the Policies, if available	Policies are available on the company’s website: <a href="https://www.northernarc.com/disclosures-under-regulations">https://www.northernarc.com/disclosures-under-regulations</a> Some of the policies govern internal stakeholder and are therefore only available on company’s intranet.								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4.	Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	-	-	-	-	-	-	-	-	-
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	<ul style="list-style-type: none"><li>Adoption of Environment &amp; Climate change policy in FY2025</li><li>Adoption of Suppliers Code of Conduct in FY2025</li><li>Inclusion of ESG assessment as part of internal audit process</li><li>Incorporation of Environment &amp; sustainability as a Thematic focus area in the company’s CSR program and implement projects</li></ul>								
6.	Performance of the entity against specific commitments, goals and targets along-with reasons in case the same are not met.	<ul style="list-style-type: none"><li>The company adopted both environment &amp; Climate change policy and Suppliers Code of Conduct in FY 2025</li><li>ESG audit process was adopted and operationalized during FY2025</li><li>The company updated its CSR policy by incorporating Environment &amp; sustainability as its thematic focus area and implemented four projects under this theme.</li></ul>								
Governance, leadership and oversight										
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	For the financial year ended March 2025, Northern Arc Capital reaffirmed its commitment to innovation, inclusive growth, and sustainability by embedding ESG principles across its business model. We harnessed technology and data to enhance responsible lending, expanded access to finance in key sectors such as clean energy, climate-resilient agriculture, and MSMEs, and strengthened ESG risk frameworks to enable measurable impact. FY 2025 was a year of purposeful progress, marked by deeper engagement with underserved communities and a focus on long-term value creation.  Looking ahead to FY 2026, we are poised to accelerate our efforts by scaling sustainable finance, advancing climate-aligned credit solutions, and investing in digital innovations that promote transparency, inclusion, and environmental stewardship. Our focus remains clear: to deliver impact at scale while building a resilient, future-ready financial ecosystem								
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Board of Directors								
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, ESG Board Committee.								

## 10. Details of Review of NGRBCs by the Company:

Subject for Review	P-1	P-2	P-3	P-4	P-5	P-6	P-7	P-8	P-9	P-1	P-2	P-3	P-4	P-5	P-6	P-7	P-8	P-9
Performance against above policies and follow up action	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	All policies are reviewed as per the Audit Plan								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	The Conformance of the policies is reviewed in accordance with the Audit Plan as part of the company's internal audit process.								

## 11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

	P-1	P-2	P-3	P-4	P-5	P-6	P-7	P-8	P-9
Performance against above policies and follow up action	No	No	No	Yes	No	Yes	Yes	No	No

## 12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P-1	P-2	P-3	P-4	P-5	P-6	P-7	P-8	P-9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

### PRINCIPLE 1

#### BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE.

##### Essential Indicators

##### 1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors Key Managerial Personnel	1	<ol style="list-style-type: none"> <li>1. Strategy and Business model of the Company</li> <li>2. Budgeting and Planning</li> <li>3. statutory reporting including Internal Audit Reports</li> <li>4. Risk Management Systems &amp; framework</li> <li>5. Overview of business of subsidiaries</li> </ol>	100
Employees other than BoD and KMPs	21	<ol style="list-style-type: none"> <li>1. Mandatory training <ul style="list-style-type: none"> <li>• POSH Trainings for Employees and IC Members</li> <li>• Insider Trading Regulation Awareness Program</li> <li>• Information Security Training</li> <li>• AML , KYC &amp; FPC Training</li> <li>• Compliance and Regulatory Framework E-Learning (People Strong)</li> <li>• POSH Training (People Strong)</li> </ul> </li> <li>2. Internal Training <ul style="list-style-type: none"> <li>• Values and Behavior Program</li> <li>• Advanced Dev Ops and Cloud Computing</li> <li>• Northern Arc Retail Credit Fundamentals Training</li> <li>• Advanced Excel Workshop</li> <li>• Microsoft Power BI</li> </ul> </li> </ol>	100

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
		3. Knowledge Sharing Series <ul style="list-style-type: none"> <li>• Scrub Analysis</li> <li>• Training on Model driven Loss estimation &amp; Credit Enhancement calculation</li> <li>• PTC &amp; DA</li> <li>• Guarantee Backed Products</li> <li>• NCDs, CPs &amp; ECBs</li> <li>• A walk through of Nimbus process for transactions</li> <li>• Climate Risk &amp; Sustainable Training Program</li> <li>• Block Chain in Lending space Training Program</li> </ul> 4. External Trainings <ul style="list-style-type: none"> <li>• IIX's Orange Bond Verifier Training (OBVT) Program</li> <li>• RBI, CAB, Pune – In Campus Program on cyber security for officers of NBFCs</li> <li>• Advanced DevOps &amp; Cloud Computing Certification</li> </ul>	
Workers		Not Applicable	

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been referred? (Yes/No)
Penalty/ Fine	-	-	0.00	-	-
Settlement	-	-	0.00	-	-
Compounding fee	-	-	0.00	-	-

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been referred? (Yes/No)
Imprisonment	-	-	-	-
Punishment	-	-	-	-

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
	Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, Northern Arc Capital Limited has an Anti-Bribery and Anti-Corruption Policy. This policy is publicly available on its official website.

The policy outlines Northern Arc's commitment to conducting business with integrity and in compliance with all applicable anti-bribery and anti-corruption laws. It prohibits all forms of bribery and corruption, whether direct or indirect, and applies to all employees, directors, and associated persons. The policy also provides guidance on recognizing and handling potential bribery and corruption issues, including procedures for reporting concerns and the consequences of policy violations.

The policy document can be accessed at <https://www.northernarc.com/assets/uploads/pdf/Anti-Bribery-and-Anti-Corruption-Policy-1620722848.pdf>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

6. Details of complaints with regard to conflict of interest:

	FY 2025 (Current Financial Year)		FY 2024 (Previous Financial Year)	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	-	-	-	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	-	-	-	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

8. Number of days of accounts payables ((Accounts payable \*365) / Cost of goods/services procured) in the following format:

	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Number of days of accounts payable	54	58

## 9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	-	-
	b. Number of trading houses where purchases are made from	-	-
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	-	-
Concentration of sales	a. Sales of dealers / distributors as % of total sales	-	-
	b. Number of dealers / distributors to whom sales are made	-	-
	c. Sales of top 10 dealers/distributors as of % of total sales to dealers/distributors	-	-
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	-	-
	b. Sales (Sales to related parties / Total Sales)	0.00%	0.45%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	0.00%	1.08%

### Leadership Indicators

#### 1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
-	-	-

#### 2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, Northern Arc Capital Limited has established processes to manage and avoid conflicts of interest involving its Board members. The Code of Conduct for Directors and Management outlines the ethical standards and responsibilities expected from directors and senior management, including provisions to identify, disclose, and manage conflicts of interest.

## PRINCIPLE 2

### BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

#### Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	-	-	-
Capex	19%	66%	Please refer the note below

Note: Northern Arc's investments in technology contribute significantly to its environmental and social impact by enabling digital operations and customer interactions, thereby reducing paper usage and costs associated with physical processes.

2. **a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes,

- b. **If yes, what percentage of inputs were sourced sustainably?**

Northern Arc Capital Limited has put in place clear procedures for sustainable sourcing, in line with its commitment to environmental and social responsibility during FY2025. As part of its Environmental and Climate Policy, the company aims to reduce the environmental impact of its supply chain by including environmental criteria in its procurement decisions. This includes giving preference to products and services that are environmentally friendly, energy efficient, locally sourced, or made from recycled materials. In addition, Northern Arc has adopted a Suppliers' Code of Conduct, which sets out requirements related to ethical business practices and workers' rights. All vendors and service providers are expected to follow this code, and its requirements are included in their contracts. These steps reflect the company's commitment to responsible and sustainable procurement practices which will be put into practice during FY2026.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Northern Arc Capital Limited, being a Non-Banking Finance Company, it primarily generates only e-waste and does not generate plastic or hazardous waste. The company follows strict processes to safely collect and hand over all e-waste to authorized recyclers licensed by the Pollution Control Board.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Not Applicable

#### Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
Not Applicable					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
-	-	-
-	-	-
-	-	-

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
-	-	-

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY2025 (Current Financial Year)			FY 2024 (Previous Financial Year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	-	-	-	-	-
E-waste	0.001	-	-	-	-	-
Hazardous waste	-	-	-	-	-	-
Other waste	-	-	-	-	-	-

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not Applicable	Not Applicable



### PRINCIPLE 3

## BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

### Essential Indicators

#### 1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	904	904	100	904	100	Not Applicable		904	100	904	100
Female	176	176	100	176	100	176	100%	Not Applicable		176	100
Total	1080	1080	100	1080	100	176	16%	904	84%	1080	100
Other than Permanent employees											
Male											
Female	Not Applicable										
Total											

\*All employees are covered with eligibility as per The Maternity Benefit Act, 1961

#### b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male											
Female	Not Applicable										
Total											
Other than Permanent workers											
Male											
Female	Not Applicable										
Total											

#### c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Cost incurred on well-being measures as a % of total revenue of the company	0.12%	0.11%

## 2. Details of retirement benefits, for Current FY and Previous Financial Year

Benefits	FY FY2025 (Current Financial Year)			FY 2024 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	99%	-	Y	100%	-	Y
Gratuity	100%	-	Y	100%	-	Y
ESI	7.7%	-	Y	9.0%	-	Y
Others – National Pension Scheme	4.5%	-	Y	4.3%	-	Y

## 3. Accessibility of workplaces

**Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

Northern Arc Capital Limited is committed to creating an inclusive and accessible workplace in line with the Rights of Persons with Disabilities Act, 2016. The company ensures that its corporate offices are designed to be accessible to differently abled employees and visitors, including features such as ramps, accessible entrances, elevators, and restrooms. Select branch offices are equipped with ramps and/or elevators, as made available by the respective building owners, wherever applicable.

## 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, Northern Arc Capital Limited has implemented an Equal Opportunity Policy in accordance with the Rights of Persons with Disabilities Act, 2016. This policy underscores the company's commitment to providing equal employment opportunities to all individuals, including persons with disabilities, across various aspects such as hiring, training, promotions, and workplace accessibility.

## 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	99.99%	-	-
Female	100%	100%	-	-
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>-</b>	<b>-</b>

## 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Not Applicable
Other than Permanent Workers	Not Applicable
Permanent Employees	Yes, Northern Arc Capital Limited has a structured Grievance Redressal Mechanism in place for its permanent employees. Employees can raise workplace concerns, including grievances related to discrimination or accessibility, directly with the designated Liaison Officer.
Other than Permanent Employees	Yes, Northern Arc Capital Limited has a structured Grievance Redressal Mechanism in place for its other than permanent employees such as contract staff, interns, trainees, persons acting as consultants, and third-party workers deployed at Northern Arc. They can raise workplace concerns, including grievances related to discrimination or accessibility, directly with the designated Liaison Officer.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2025 (Current Financial Year)			FY 2024 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
<b>Total Permanent Employees</b>	1080	-	-	880	-	-
Male	904	-	-	703	-	-
Female	176	-	-	177	-	-
<b>Total Permanent Workers</b>	Not Applicable					
Male						
Female						

8. Details of training given to employees and workers:

Category	FY 2025 (Current Financial Year)					FY 2024 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	904	332	37	554	61	703	415	59	326	46
Female	176	63	36	136	77	177	168	95	126	71
Total	1080	395	36	690	64	880	583	66	452	51
Workers										
Male	Not Applicable									
Female										
Total										

9. Details of performance and career development reviews of employees and worker:

Category	FY 2025 (Current Financial Year)			FY 2024 (Previous Financial Year)		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
<b>Employees</b>						
Male	904	639	71%	703	506	71%
Female	176	157	89%	177	143	89%
<b>Total</b>	<b>1080</b>	<b>796</b>	<b>74%</b>	<b>880</b>	<b>649</b>	<b>89%</b>
<b>Workers</b>						
Male	Not Applicable					
Female						
<b>Total</b>						

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, Northern Arc Capital Limited has implemented an Occupational Health and Safety Management System through the adoption of its Environment, Health and Safety (EHS) Policy. The policy affirms the company's commitment to complying with all applicable health and safety regulations. It provides for the identification and assessment of workplace risks through regular risk assessments and ensures workplace safety through periodic inspections. The policy further outlines procedures for the mitigation and management of workplace and Northern Arc Capital Limited a focus on minimizing recurrence.

**b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Northern Arc Capital Limited has a structured process to identify and assess work-related hazards as part of its Environment, Health and Safety (EHS) Policy. Identified risks are documented in a centralized risk register, which is regularly updated through workplace inspections, task-specific assessments, and incident investigations. All workplace incidents and near-misses are reported, analysed for root causes, and used to inform risk mitigation measures. Employee feedback is actively encouraged and integrated into the risk assessment process. These measures are supported by regular training and awareness programs.

**c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

Yes, all corporate offices have designated administration officers, and all branches have the branch managers to record such incidents and report to the head of the administration department. All incidents are tracked in a safety register and are reviewed biannually.

**d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes, the company covers all its permanent employees under health insurance and personal accident insurance policies.

**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	-
	Workers	Not Applicable	Not Applicable
Total recordable work-related injuries	Employees	-	-
	Workers	Not Applicable	Not Applicable
No. of fatalities	Employees	-	-
	Workers	Not Applicable	Not Applicable
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	Not Applicable	Not Applicable

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

Northern Arc Capital Limited implements a comprehensive EHS program to ensure workplace safety and health. Hazards are recorded in a centralized risk register, updated through regular inspections, task-specific assessments, and incident investigations. All incidents and near-misses are reported and analyzed to improve preventive measures. Employee feedback is encouraged and integrated into safety practices.

**13. Number of Complaints on the following made by employees and workers:**

	FY 2025 (Current Financial Year)			FY 2024 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	-	-	-	-	-	-
Health & Safety	-	-	-	-	-	-

**14. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	-
Working Conditions	-

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions**

Not Applicable

**Leadership Indicators**

**1. Does the entity extend any life insurance or any compensatory package in the event of death of**

**A. Employees (Y/N):** Yes

**B. Workers (Y/N):** Not Applicable

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

As part of the onboarding process for both service providers and contract vendors, a comprehensive compliance check is conducted, including verification of statutory registrations such as GST, PAN, PF, and ESI. Additionally, the agreements with these partners clearly outline the requirement for timely deduction and deposition of all applicable statutory dues, along with defined consequences for non-compliance.

For contract vendors (e.g., housekeeping), statutory payment compliance is reviewed on a monthly basis prior to invoice processing. In the case of service providers (e.g., technology vendors), such compliance is addressed through contractual obligations.

Further assurance is provided through periodic sample audits conducted by internal teams or third-party auditors, covering filings such as GST returns and PF/ESI challans. TDS is also deducted at applicable rates from vendor payments, ensuring a level of compliance is maintained from our side.

**3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Employees	-	-	-	-
Workers	Not Applicable			

**4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

No

**5. Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	-
Working Conditions	-

**6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners**

Not Applicable

## PRINCIPLE 4

## BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

## Essential Indicators

## 1. Describe the processes for identifying key stakeholder groups of the entity.

Northern Arc Capital Limited follows a structured approach to identifying its key stakeholder groups, considering their impact on and interest in the company's operations. The primary stakeholders include shareholders, who provide strategic oversight; lenders and investors, who support the company's funding needs; and value chain partners, such as originator institutions and service providers, who enable product delivery. Customers, including MSMEs and retail borrowers, are central to the company's mission of promoting financial inclusion. Employees and the Board are key internal stakeholders driving execution and governance. Regulatory authorities such as the RBI and SEBI are engaged to ensure compliance and responsible conduct. The company also recognizes society as an important and a larger stakeholder in relation to its social impact and public transparency.

Stakeholder identification is periodically reviewed and refined through ongoing engagement mechanisms such as investor meetings, regulatory consultations, employee feedback platforms, customer service interactions, and community outreach. This process ensures that the company remains responsive to stakeholders' needs and expectations.

## 2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	Emails, SMS, Newspaper, Notices, Website Disclosures.	Quarterly, Half-yearly, Annual, and Need-based.	Ensure transparency, build trust, and align business strategy with shareholder interests through regular updates, AGMs, and reports.  The topics covered are financial performance, return on investment, risk management, governance, ESG performance, and strategic growth plans.
Employees	No	Email, Website, Intranet Portal, SMS, Internal Meetings, Trainings, Surveys.	Bi-monthly, Quarterly, Continuous, and Need-based.	Foster a motivated and skilled workforce through ongoing communication, training, and feedback mechanisms.  The key topics covered during the engagement are Career development, learning opportunities, ethical practices, and workplace safety.
Lenders (Offshore & Domestic)	No	Website, Emails, Telephone Communications, Personal Visits, Conventions	Quarterly, Half yearly, Annual, and Need-based.	Maintain financial credibility and provide regular financial and risk updates to secure long-term funding relationships.  The scope of the discussion would be credit performance, asset quality, covenant compliance, ESG alignment, and business resilience.

<b>Stakeholder Group</b>	<b>Whether identified as Vulnerable &amp; Marginalized Group (Yes/No)</b>	<b>Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other</b>	<b>Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)</b>	<b>Purpose and scope of engagement including key topics and concerns raised during such engagement</b>
Regulators	No	Emails, Letters, Regulatory filings, Meetings, Audits.	Quarterly, Annual, and Need-based	<p>Ensure full compliance with laws and regulations through structured reporting, audits, and consultations.</p> <p>The key topics covered during our engagement are regulatory compliance, data privacy, anti-money laundering, governance, and responsible lending practices.</p>
Value Chain Partners	No	Emails, Website, Telephone Communications, Personal Visits, Conventions	Continuous, and Need-based.	<p>Build strong, reliable relationships with intermediaries and service providers through consistent communication and support.</p> <p>The topics covered during our discussion with them include covenant tracking, timely payments, transparent terms, and mutual business growth.</p>
Customers (Borrowers)	Yes	Website, Emails, Telephone Communications, SMS, Customer Feedback, Customer Helpline, Social Media Channels, Customer Grievance Cell.	Periodic, Continuous, and Need-based.	<p>Enhance customer satisfaction and trust via accessible, fair, and responsible financial services. The key topics dealt with the customers are loan terms, turnaround time, grievance redressal, and product flexibility,</p>
Society	Yes	Website, Annual Report, Quarterly Reports, CSR Initiatives, Media & Press release, Social Media Channels, Personal Visits.	Quarterly, Annual, and Need-based.	<p>Drive positive social impact through inclusive finance, sustainability initiatives, and community engagement.</p> <p>The topics covered during the engagement are financial inclusion, environmental &amp; social responsibility towards community development, and contribution to economic development.</p>

## Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

Northern Arc Capital Limited has established a robust governance framework in which several Board-level committees oversee the processes and mechanisms for engaging with each of its key stakeholder groups. Dedicated relationship teams/individuals maintain ongoing dialogue with customers, investors (both domestic and offshore lenders), regulators, value-chain partners and shareholders, and they consolidate insights and emerging concerns into formal feedback reports for the relevant Board committees each quarter. In addition, select stakeholder representatives—and, periodically, individual Board members—participate in in-person meetings or roundtables to address strategic issues or urgent matters directly.

On the social and environmental front, Northern Arc's sustainability function partners with non-governmental organizations to identify critical needs at the grassroots level, from financial-literacy programs to climate-resilience projects. Progress on these initiatives is captured in the annual Sustainability Report and reviewed by the CSR & ESG Committees, which reports regularly to the full Board.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes. The engagement by various teams at Northern Arc Capital with stakeholders such as employees, investors, borrowers, regulators, and communities provides relevant inputs on environmental and social topics. These consultations help identify material ESG issues and are factored into the design and implementation of the company's ESG initiatives. For instance, feedback from investors has informed Northern Arc's focus on climate-aligned financing and responsible lending practices. Similarly, insights from borrowers and partners in rural and semi-urban areas have influenced the development of inclusive financial products and digital outreach strategies. Input from employees and communities have supported the company's focus on ethical conduct, shaping policies and activities across the organization

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

Northern Arc Capital Limited, through its CSR initiatives, has undertaken various programs aimed at addressing the needs of vulnerable and marginalized stakeholder groups. Guided by a Board-governed Corporate Social Responsibility (CSR) policy, the company focuses on supporting marginalized, poor, needy, under-privileged, and differently abled individuals. Specific instances include educational support for underprivileged students, natural resource enhancement projects, and healthcare initiatives targeted at underserved population. These initiatives are designed to contribute to the well-being and sustainable development of these communities, reflecting Northern Arc's commitment to inclusive growth and social equity.



## PRINCIPLE 5

### BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

#### Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2025 (Current Financial Year)			FY 2024 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent*	1080	395	37	880	583	66
Other than permanent*	402	69	17	197	31	16
<b>Total Employees</b>	<b>1482</b>	<b>464</b>	<b>31</b>	<b>1099</b>	<b>614</b>	<b>56</b>
<b>Workers</b>						
Permanent	Not Applicable					
Other than permanent						
<b>Total Workers</b>						

\*Includes employees at corporate and branch offices in all locations, except subsidiaries.

\*\* Includes consultants and contract employees engaged by the company, except subsidiaries.

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2025 (Current Financial Year)					FY 2024 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent*	1080	NA	NA	1080	100%	880	NA	NA	880	100%
Male	904	NA	NA	904	100%	703	NA	NA	703	100%
Female	176	NA	NA	176	100%	177	NA	NA	177	100%
Other than Permanent**	30	NA	NA	32	100%	35	NA	NA	35	100%
Male	25	NA	NA	27	100%	3	NA	NA	3	100%
Female	5	NA	NA	5	100%	5	NA	NA	5	100%
Workers										
Permanent	Not Applicable									
Male										
Female										
Other than Permanent										
Male										
Female										

\*Includes employees at corporate and branch offices in all locations, except subsidiaries.

\*\* Includes consultants and contract employees engaged by the company, except subsidiaries.

### 3. Details of remuneration/salary/wages

#### a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	7	24,50,000	2	27,00,000
Key Managerial Personnel	3	2,93,94,486	0	0
Employees other than BoD and KMP	901	6,32,496	176	8,97,498
Workers	NA	NA	NA	NA

#### b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Gross wage paid to females as % of total wage	19%	22%

### 4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

### 5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

At Northern Arc Capital, robust internal mechanisms are in place to redress grievances related to human rights issues, ensuring a fair, transparent, and accountable work environment. These mechanisms include:

- Grievance Redressal Mechanism:** Northern Arc has a structured grievance redressal system that allows employees and stakeholders to raise concerns related to human rights, workplace behavior, or unfair treatment. All grievances are reviewed in a time-bound manner and addressed by designated internal committees or officers.
- Equal Opportunity Policy:** The company's Equal Opportunity Policy reinforces its commitment to non-discrimination and inclusivity, particularly for women, persons with disabilities, and marginalized communities. It ensures that all individuals have access to equal treatment in hiring, training, promotions, and work conditions.
- Code of Conduct:** The Code of Conduct outlines expected standards of behavior for all employees and serves as a guiding document to uphold human rights, ethical practices, and respectful workplace interactions. Any violations of the Code, especially those concerning dignity, fairness, or human rights, are subject to investigation and corrective action.
- Whistleblower Policy:** Northern Arc's Whistleblower Policy provides a secure and confidential channel for employees and stakeholders to report concerns related to unethical behavior, human rights violations, or policy breaches without fear of retaliation. Whistleblower complaints are reviewed independently, with appropriate follow-up actions taken by the Ethics Committee or relevant authority.
- Safe Working Environment and Sexual Harassment Policy:** Northern Arc enforces a zero-tolerance approach to sexual harassment through its PoSH Policy. An Internal Committee (IC) is constituted in line with legal requirements to handle complaints, conduct fair investigations, and ensure appropriate redressal and support for affected individuals.

These mechanisms collectively ensure that human rights concerns are taken seriously, reported safely, and addressed effectively within the organization.

6. Number of Complaints on the following made by employees and workers:

Category	FY 2025 (Current Financial Year)			FY 2024 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	-	-	-	-	-	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour/Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Total complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	-	-
Complaints on POSH as a % of female employees/workers	-	-
Complaints on POSH upheld	-	-

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Northern Arc Capital Limited has robust safeguards to protect complainants from any adverse consequences arising from the reporting of discrimination or harassment through its Equal Opportunity Policy. The policy strictly prohibits retaliation or reprisal against individuals who raise genuine concerns or complaints. It provides for confidential reporting channels with direct submission to the designated Liaison Officer. The Liaison Officer is entrusted with the responsibility to ensure that complaints are addressed promptly, fairly, and with due sensitivity, while also taking necessary steps to prevent any form of victimization or inconvenience to the complainant. The policy further affirms that raising a bona fide concern will not affect the complainant's legal rights or employment status in any manner, reinforcing the Company's commitment to a safe, inclusive, and equitable workplace.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	-
Forced/involuntary labour	-
Sexual harassment	-
Discrimination at workplace	-
Wages	-
Others – please specify	-

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable

## Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

None

2. Details of the scope and coverage of any Human rights due-diligence conducted.

Not Applicable

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes. All buildings where Northern Arc Capital's corporate offices are located are equipped with facilities to ensure accessibility for differently abled visitors, in line with the requirements of the Rights of Persons with Disabilities Act, 2016. The premises include features such as ramps, elevators, and accessible restrooms to support ease of movement. Northern Arc is committed to fostering an inclusive environment by ensuring its physical infrastructure does not pose a barrier and welcoming for all individuals.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	-
Discrimination at workplace	-
Child Labour	-
Forced Labour/Involuntary Labour	-
Wages	-
Others – please specify	-

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable

## PRINCIPLE 6

### BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

#### Essential Indicators

#### 1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	Unit	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
<b>From Renewable Sources</b>			
Total electricity consumption (A)	Gigajoules	-	-
Total fuel consumption (B)	Gigajoules	-	-
Energy consumption through other sources (C)	Gigajoules	-	-
Total energy consumed from renewable sources (A+B+C)	Gigajoules	-	-
<b>From Non-Renewable Sources</b>			
Total electricity consumption (D)	Gigajoules	1801.75	-
Total fuel consumption (E)	Gigajoules	-	-
Energy consumption through other sources (F)	Gigajoules	-	-
<b>Total energy consumed from non-renewable sources (A+B+C)</b>	Gigajoules	1801.75	-
<b>Total energy consumed (A+B+C+D+E+F)</b>	Gigajoules	1801.75	-
<b>Energy intensity per rupee of turnover</b> (Total energy consumption / turnover in rupees)	Per lakh of revenue from operations	0.0078	-
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)*</b> (Total energy consumed / Revenue from operations adjusted for PPP)	Per lakh of revenue from operations adjusted for PPP	0.16	-
Energy intensity in terms of physical output	-	-	-
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-	-

The PPP conversion factor for India has been taken as 20.45, based on the latest available 2024 data from the World Bank's International Comparison Program.

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No**

#### 2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Nil

#### 3. Provide details of the following disclosures related to water, in the following format:

Parameter	Unit	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
<b>Water withdrawal by source (in kiloliters)</b>			
(i) Surface water	Kilolitres	-	-
(ii) Groundwater	Kilolitres	-	-
(iii) Third party water	Kilolitres	-	-
(iv) Seawater / desalinated water	Kilolitres	-	-
(v) Others	Kilolitres	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)		-	-
Total volume of water consumption (in kilolitres)*		12,430	-
<b>Water intensity per rupee of turnover</b> (Water consumed / turnover)	Per lakh of revenue from operations	0.054	-
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)**</b> (Total water consumption / Revenue from operations adjusted for PPP)	Per lakh of revenue from operations adjusted for PPP	1.11	-
Water intensity in terms of physical output		-	-
Water intensity (optional) – the relevant metric may be selected by the entity		-	-

\*Total Volume of Water consumption has been estimated on a per-employee basis using the "National Building Code (NBC) – Bureau of Indian Standards (BIS), 2016," which specifies a requirement of 45 litres per person per working day for drinking and domestic use. The total water consumption was derived based on the average headcount, number of working days, and the prescribed per capita daily requirement.

\*\* The PPP conversion factor for India has been taken as 20.45, based on the latest available 2024 data from the World Bank's International Comparison Program.

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No**

4. Provide the following details related to water discharged:

Parameter	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Surface water		
- No Treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) Groundwater		
- No Treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater		
- No Treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third parties		
- No Treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others		
- No Treatment		
- With treatment – please specify level of treatment		
<b>Total water discharged (in kilolitres) (i + ii + iii + iv + v)</b>		

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Not Applicable

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
NOx			
SOx			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – please specify			

Not Applicable

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No**

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
<b>Total Scope 1 emissions*</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	11.68	-
<b>Total Scope 2 emissions**</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	753.00	-
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b> (Total scope 1 and Scope 2 GHG emissions / Revenue from operations)	Per lakh of revenue from operations	0.0033	-
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)***</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Per lakh of revenue from operations adjusted for PPP	0.07	-

Parameter	Unit	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
<b>Total Scope 1 and Scope 2 emission intensity in terms of physical output</b>		-	
<b>Total Scope 1 and Scope 2 emission intensity</b> (optional) – the relevant metric may be selected by the entity		-	

\*Scope 1 GHG emissions have been calculated considering fugitive emissions from refrigerant leakages in air conditioning units and annual leakages from fire extinguishers.

\*\*Scope 2 GHG emissions account for indirect GHG emissions from purchased electricity, including consumption associated with the company's HVAC systems across its operation, as applicable

\*\*\*The PPP conversion factor for India has been taken as 20.45, based on the latest available 2024 data from the World Bank's International Comparison Program.

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No**

**8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

No

**9. Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	-	-
E-waste (B)	0.084	0.308
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	-	-
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	-	-
<b>Total (A+B + C + D + E + F + G + H)</b>	0.084	-
<b>Waste intensity per rupee of turnover</b> (Total waste generated / Revenue from operations)	0.00	-
<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total waste generated / Revenue from operations adjusted for PPP)	0.00	-
<b>Waste intensity in terms of physical output</b>	-	-
<b>Waste intensity</b> (optional) – the relevant metric may be selected by the entity	-	-
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	-	-
(ii) Re-used	0.001	-
(iii) Other recovery operations	-	-
<b>Total</b>		
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
<b>Total</b>		

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No**

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Northern Arc Capital Limited, as a Non-Banking Finance Company (NBFC), primarily generates electronic waste (e-waste) and does not produce plastic or hazardous chemical waste in its operations. The company has instituted robust waste management practices wherein all e-waste is systematically collected and handed over to authorized recyclers certified by the Pollution Control Board. While the nature of its operations does not involve the use of hazardous or toxic chemicals, Northern Arc remains committed to environmentally responsible practices by ensuring minimal environmental impact and adhering to all regulatory requirements for safe waste disposal.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

#### Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

Not Applicable

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area: -

(ii) Nature of operations: -

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
<b>Total volume of water withdrawal (in kilolitres)</b>	-	-
<b>Total volume of water consumption (in kilolitres)</b>	-	-



Parameter	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
<b>Water intensity per rupee of turnover</b> (Water consumed / turnover)	-	-
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity	-	-
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(ii) To Groundwater	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iii) To Seawater	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(v) Others	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
<b>Total water discharged (in kilolitres)</b>	Nil	Nil

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
<b>Total Scope 3 emissions*</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	790.54	-
<b>Total Scope 3 emissions per rupee of turnover</b>	Per lakh of revenue from operations	0.003	-
<b>Total Scope 3 emission intensity</b> (optional) – the relevant metric may be selected by the entity		-	-

\* Scope 3 GHG emissions have been estimated considering the following categories as defined by the GHG Protocol: Category 1 (Purchased Goods and Services), Category 5 (Waste Generated in Operations), Category 6 (Business Travel), and Category 8 (Upstream Leased Assets)

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative

5. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Northern Arc Capital has a comprehensive Business Continuity and Disaster Recovery (BCDR) Plan designed to ensure the uninterrupted functioning of critical systems and swift recovery from disruptions. The plan supports the organization's ability to sustain performance and restore or replace any failed systems under adverse conditions. It is structured around defined Recovery Time Objectives (RTOs), prioritizing applications and infrastructure based on their criticality. The BCDR plan is routinely reviewed, updated, and validated through regular drills and independent third-party audits. Oversight is provided by a dedicated senior leadership team responsible for incident management and communication with both internal and external stakeholders.

6. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

None

7. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

None

## PRINCIPLE 7

### BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

#### Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

Five

- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Assocham	National
2	FICCI	National
3	DLAI	National
4	FACE	National
5	MFIN	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken

#### Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available

Not Applicable

## PRINCIPLE 8

## BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

## Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
-----------------------------------	----------------------	----------------------	---	--	-------------------

Not Applicable

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
--------	--	-------	----------	---	--------------------------	---

Not Applicable

3. Describe the mechanisms to receive and redress grievances of the community.

Northern Arc Capital has a well-defined grievance redressal mechanism to ensure timely and effective resolution of customer complaints. Customers can initially reach out to the Grievance Redressal Officer (GRO) via toll-free number (1800 419 8766) or email ([gro@northernarc.com](mailto:gro@northernarc.com)), with a resolution timeline of 15 days. If unsatisfied, complaints can be escalated to the Nodal Officer through toll-free number (1800 258 7010) or email ([nodal.officer@northernarc.com](mailto:nodal.officer@northernarc.com)). In cases where the issue remains unresolved beyond 30 days, customers have the option to approach the Reserve Bank of India under the Integrated Ombudsman Scheme, 2021, through the portal <https://cms.rbi.org.in>. This multi-level process reflects Northern Arc's commitment to transparency, customer-centricity, and regulatory compliance.

For shareholders and debenture holders, the Company has appointed Kfin Technologies Limited as its Registrar and Share Transfer Agent (RTA) to facilitate the resolution of queries and grievances. Complaints may be sent to [cs@northernarc.com](mailto:cs@northernarc.com), and the Company Secretary and Compliance Officer, in coordination with the RTA, ensures timely and appropriate redressal of all concerns raised by shareholders and debenture holders.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	35.28%	51.03%
Directly from within India	99.86%	99.53%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2025 (Current Financial Year)	FY 2024 (Previous Financial Year)
Rural	0.04%	0.01%
Semi-Urban	0.79%	0.86%
Urban	5.06%	5.36%
Metropolitan	94.11%	93.77%

Note: The definition of location classification was referred from RBI Master Circular on Branch Licensing (RBI/2015-16/10 DBR.CO.RRB. BL.BC.No.17/31.01.002/2015-16 dated July 1, 2015)

## Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
NA	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S.No.	State	Aspirational District	Amount spent (In INR)
1	Tamil Nadu	Ramanathapuram District	1,28,85,750

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No

- (b) From which marginalized /vulnerable groups do you procure?

Not Applicable

- (c) What percentage of total procurement (by value) does it constitute?

Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S.No	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Not Applicable				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
Not Applicable		

6. Details of beneficiaries of CSR Projects:

S.No	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Providing holistic nutrition support to children affected by Cancer	492	100%
2.	Support differently abled children with residential education programs, good nutrition, and medical aid.	48	100%
3.	Financial assistance and digital aid for students	60 students	-

## PRINCIPLE 9

## BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

## Essential Indicators

## 1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Northern Arc Capital has a well-defined grievance redressal mechanism to ensure timely and effective resolution of customer complaints. Customers can initially reach out to the Grievance Redressal Officer (GRO) via toll-free number (1800 419 8766) or email ([gro@northernarc.com](mailto:gro@northernarc.com)), with a resolution timeline of 15 days. If unsatisfied, complaints can be escalated to the Nodal Officer through toll-free number (1800 258 7010) or email ([nodal.officer@northernarc.com](mailto:nodal.officer@northernarc.com)). In cases where the issue remains unresolved beyond 30 days, customers have the option to approach the Reserve Bank of India under the Integrated Ombudsman Scheme, 2021, through the portal <https://cms.rbi.org.in>. This multi-level process reflects Northern Arc's commitment to transparency, customer-centricity, and regulatory compliance.

## 2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	
Safe and responsible usage	Not Applicable
Recycling and/or safe disposal	

## 3. Number of consumer complaints in respect of the following:

Category	FY 2025 (Current Financial Year)		Remarks	FY 2024 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Other	-	-	-	-	-	-

## 4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	-	-
Forced recalls	-	-

## 5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, an Information Security Policy is in place which outlines the organization's approach to cybersecurity operations and data privacy risks. This policy includes key controls related to data protection, access management, threat monitoring, incident handling, and compliance with applicable regulations. The privacy policy can be accessed at: <https://www.northernarc.com/assets/uploads/pdf/Privacy-Policy.pdf>

## 6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

NIL

**7. Provide the following information relating to data breaches:**

- a. **Number of instances of data breaches:** 1
- b. **Percentage of data breaches involving personally identifiable information of customers:** 0
- c. **Impact, if any, of the data breaches:** None

**Leadership Indicators**

**1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

The information on the products and services offered by Northern Arc Capital Limited can be accessed at [www.northernarc.com](http://www.northernarc.com)

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

Northern Arc Capital Limited is committed to promoting safe and responsible usage of its products and services through a range of consumer education initiatives. The Company ensures transparent communication of product features, terms, interest rates, and associated fees across all customer bases. During the onboarding process, customers are guided through comprehensive Know Your Customer (KYC) procedures and informed of their rights and obligations. Northern Arc also ensures timely communication of policy changes and regulatory updates. A robust grievance redressal mechanism is in place, supported by a toll-free helpline, dedicated email assistance, and a defined escalation matrix. Additionally, regular training and capacity-building programs are conducted for relevant teams and frontline personnel who directly engage with customers, ensuring they are well-equipped to educate and assist consumers effectively. These measures underscore Northern Arc's focus on transparency, financial literacy, and customer protection.

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

Northern Arc has a business continuity plan that will be enforced during an event of a natural hazard or system downtime, to ensure that the company's services are not interrupted. In the event of any unforeseen disruption of our services, the consumers of the company are informed about the disruption of essential services through email or SMS that will provide details on the nature of disruption, expected resolution time, etc. In the event of discontinuation of our branch operation, the company will provide ninety-days advance notice in the leading national newspaper before closure or relocation of branches/office, as mandated by RBI.

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.**

No, the company discloses information about its products as mandated by the RBI.

**5. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

No, the company has not undertaken a consumer satisfaction survey during the reporting period.