

# NDAA & ASSOCIATES LLP CHARTERED ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Members of Alpha Alternatives Financial Services Private Limited  
(Formerly known as Provincial Finance and Leasing Co Private Limited)

Report on the audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of Alpha Alternatives Financial Services Private Limited (Formerly known as Provincial Finance and Leasing Co Private Limited) ("the Company"), which comprise the Balance sheet as at 31st March 2024, and the statement of Profit and Loss (including the statement of Other Comprehensive Income), the statement of Cash Flows and statement of changes in equity for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs of the Company as at 31 March 2024, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

### Information other than the Financial Statements and Auditor's Report thereon (Other Information)

The Company's management and Board of Directors are responsible for the preparation of other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

#### **Responsibility of Management and those charged with Governance for the Financial Statements**

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is also responsible for overseeing the company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also,

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### Report on Other Legal and Regulatory Requirements

- I. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act: We report that since the company is a private limited company, the provisions of and limits laid down under section 197 read with Schedule V of the Act are not applicable to the company.
- II. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to information & explanations given to us, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



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As required by Section 143(3) of the Act, we report to the extent applicable:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including the statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity, dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There were no amounts which were required to be transferred by the Company to Investor Education and Protection Fund.
  - iv. a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;





(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above, contain any material misstatement.

- v. The company has not declared or paid any dividend during the year.
- vi. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023.

Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded except for the period upto 27<sup>th</sup> July 2023, during which the feature of recording audit trail (edit log) was not active.

Further, for the periods where audit trail (edit log) facility was enabled , we did not come across any instance of the audit trail feature being tampered with.

#### Other matter

The comparative financial information of the Company for the year ended March 31, 2023 included in the accompanying financial statement have been audited by the predecessor auditor whose reports dated May 15,2023 expressed an unmodified opinion.

Our Opinion on the statement is not modified in respect of the above matter.

#### FOR NDAA & ASSOCIATES LLP

Chartered Accountants

Firm Registration No.: 129486W/W100775



**NIRAJ D. ADATIA**

Partner

Membership No.: 120844

UDIN: 24120844BKASVW2433

Place: Mumbai

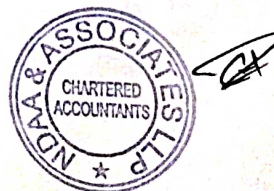
Date: 30/05/2024



**Annexure 'A' To The Independent Auditor's Report in the Financial Statements of Alpha Alternative Financial Services Private Limited (formerly known as Provincial Finance and Leasing Co Private Limited)**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - a. (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;  
(B) The Company does not have any intangible assets. Therefore, provision of clause 3(i)(b)(B) of the order is not applicable to the company.
  - b. The fixed assets have been physically verified by the Management at reasonable intervals; and no, material discrepancies were noticed on such verification.
  - c. The company does not have any immovable property. Therefore, provision of clause 3(i)(c) of the order are not applicable to the company.
  - d. The Company has not revalued any of its Property, Plant and Equipment or intangible asset during the year.
  - e. No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. In respect of Company's Inventories:
  - a. The Company is an investment company primarily engaged in investment in securities, debentures and other products. Accordingly, it does not hold any inventories and hence, reporting under clause 3(ii)(a) of the Order is not applicable.
  - b. The Company has not been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. During the year, the company has made investments and granted loans, unsecured to companies and Limited Liability Partnership. The company has not provided any guarantee or security to any other entities during the year. With respect to such investments and loans and advances:
  - a. Since the Company's principal business is to give loans, the provision of clause 3(iii)(a) of the Order are not applicable.





- b. According to the information and explanations given to us, during the year, the Company has made investments and loans to the companies and other parties. In our opinion, the investments and terms and conditions of the loans made during the year are, prima facie, not prejudicial to the interest of the Company.
- c. In respect of the aforesaid loans, the schedule of repayment of principal and payment of interest has not been stipulated. In absence of stipulation of repayment terms, we are unable to comment on the regularity of repayment of principal and payment of interest thereon.
- d. In respect of the aforesaid loans, since the schedule of repayment of principal and payment of interest has not been stipulated the provision of clause 3(iii)(d) of the order are not applicable.
- e. Since the Company's principal business is to give loans, the provision of clause 3(iii)(e) of the order are not applicable to it.
- f. The Company has during the year granted loan repayable on demand without specifying period of repayment to companies and other parties, and the details are as follows: -

Particulars	Other than Related Parties	Related Parties	Total
Aggregate amount of loans/ advances in nature of loans			
- Repayable on demand (A)	Rs.23,00,00,000	Rs.118,75,00,000	Rs.141,75,00,000
- Agreement does not specify any terms or period of repayment (B)	Rs. Nil	Rs. Nil	Rs. Nil
Total (A+B)	Rs.23,00,00,000	Rs.118,75,00,000	Rs.141,75,00,000
Percentage of loans/ advances in nature of loans to the total loans	16.23%	83.77%	100%

- iv. In our opinion and according to the information and explanations given to us, the Company has not given loans, Investments, guarantees, security covered under provisions of Section 185 of the Companies Act, 2013. The Company is a Non-banking financial company, due to which its investments are exempted under Section 186(11)(b). The Company has not made investments through more than two layers of investment companies in accordance with the provisions of Section 186(1) of the Act. Accordingly, the Company has complied with the provisions of Sections 185 and 186 of the Act, as applicable.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the year in terms of directives issued by the Reserve Bank of India or the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, provisions of clause 3(v) of the Order is not applicable to the Company.



- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013, for the business activities carried out by the Company. Hence reporting under paragraph 3 (vi) of the Order is not applicable.
- vii.
- a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the company is generally regular in depositing undisputed statutory dues including Goods and Service Tax, Provident fund, income tax, sales tax, service tax, value added tax, duty of customs, goods and service tax, cess, employees' state insurance and any other statutory dues to the appropriate authorities. There are no arrears in respect of these statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
  - b. According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues referred to in sub clause (a) which have not been deposited on account of any dispute.
- viii. In our opinion and according to the information and explanations given to us, the Company has no such transactions which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix.
- a. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to any lenders.
  - b. According to the information and explanations given to us, we report that the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority or any other lender.
  - c. In our opinion and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.
  - d. According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that, prima facie, no funds raised on short-term basis have been used for long-term purposes by the Company.
  - e. The Company does not have any subsidiaries, associates or joint ventures. Accordingly, the provisions of the clauses (ix)(e) & (f) of the Order are not applicable to the Company.
- x.
- a. In our opinion and according to the information and explanations given to us, the company has utilised the money raised by way of initial public offer/ further public offer (including debt instruments) for the purposes for which they were raised.





- c. According to the information and explanations given to us by the management, the Company is not a Core Investment Company (CIC) as defined in the regulation made by the Reserve Bank of India;
- d. According to the information and explanations given to us by the management, there is no Core Investment Company (CIC) within the Group, as defined in the regulation made by the Reserve Bank of India;
- xvii. According to the information and explanations given to us, the Company has not incurred cash losses during the year covered by our audit and the immediately preceding financial year.
- xviii. According to the records of the Company examined by us, and information and explanations given to us, the erstwhile auditors of the Company resigned during the year on account of completion of maximum permissible term of three years as mandated by Reserve Bank of India. Further, there were no other issues, objections or concerns raised by the outgoing auditors in their resignation letter.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and management plan, nothing has come to our attention which causes us to believe that any material uncertainty exists as on the date of audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx.
- a. There are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act.  
As per the information made available and documents examined by us, part of the CSR spent during the year amounting to Rs. 25 Lacs has been utilized subsequent to reporting date. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- b. The company does not spend any amounts towards Corporate Social Responsibility (CSR) for ongoing projects, hence reporting under clause xx (b) of the order is not applicable.



- b. The Company has made private placement of shares during the year, in compliance with the requirements of Section 42 and Section 62 of the Act. The funds raised have been used for the purpose for which funds were raised.
- xi.
- a. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, we report that no material fraud by the Company or on the Company has been noticed or reported during the year.
- b. According to information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 with the Central Government, during the year and up to the date of this report.
- c. As represented to us by the management, there were no whistle blower complaints received by the Company during the year.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, reporting under clause 3(xii) of the order is not applicable.
- xiii. According to the information and explanations given to us, in our opinion, transactions with related parties are in compliance with Sections 177 and 188 of the Act. The details have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- xiv.
- a. In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- b. We have considered the internal audit reports of the Company issued till date, for the period under audit.
- xv. According to the information and explanations given to us, in our opinion during the year the company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company.
- xvi.
- a. The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and has obtained the requisite registration as a non-banking financial institution under Section 45 – IA of the Reserve Bank of India Act, 1934;
- b. The Company has not conducted any Non-Banking Financial Activities without obtaining a valid CoR from the Reserve Bank of India as per the Reserve Bank of India Act, 1934;





xxi. The reporting under clause (xxi) is not applicable in respect of audit of financial statements of the company. Accordingly, no comment has been included in respect of said clause under this report.

**FOR NDAA & ASSOCIATES LLP**  
Chartered Accountants  
Firm Registration No.: 129486W/W100775



**NIRAJ D. ADATIA**  
Partner  
Membership No.: 120844  
UDIN: 24120844BKASVW2433  
Place: Mumbai  
Date: 30/05/2024

**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF ALPHA ALTERNATIVES FINANCIAL SERVICES PRIVATE LIMITED ((Formerly known as Provincial Finance and Leasing Co Private Limited)**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Alpha Alternative Financial Services Private Limited (Formerly known as Provincial Finance and Leasing Co Private Limited)** ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Responsibility of Management and Those Charged with Governance for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to the financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the financial statements included obtaining an understanding of internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to the financial statements.





### **Meaning of Internal Financial Controls with reference to Financial Statements**

A company's internal financial control with reference to the financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to the financial statements includes those policies and procedures that;

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls with reference to the Financial Statement**

Because of the inherent limitations of internal financial controls with reference to the financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the financial statements to future periods are subject to the risk that the internal financial control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

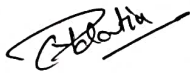
### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

### **FOR NDAA & ASSOCIATES LLP**

Chartered Accountants

Firm Registration No.: 129486W/W100775



**NIRAJ D. ADATIA**

Partner

Membership No.: 120844

UDIN: 24120844BKASVW2433

Place: Mumbai

Date: 30/05/2024



Alpha Alternatives Financial Services Private Limited  
(formerly known as "Provincial Finance And Leasing Co Private Limited")

Balance Sheet as at March 31, 2024

(Amount In lakhs)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
<b>Assets</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	3	4,261.15	1,411.02
Derivative financial instruments	4	387.18	-
Loans	5	-	4,581.60
Investments	6	4,13,566.03	1,58,671.31
Other Financial assets	7	15,627.29	745.84
		<b>4,33,841.65</b>	<b>1,65,409.77</b>
<b>Non-financial Assets</b>			
Property, Plant and Equipment	8	1.46	1.78
Other non-financial assets	9	47.64	24.20
		<b>49.10</b>	<b>25.98</b>
		<b>4,33,890.75</b>	<b>1,65,435.75</b>
<b>Total Assets</b>			
<b>Liabilities and Equity</b>			
<b>Liabilities</b>			
<b>Financial Liabilities</b>			
Derivative financial instruments	4	-	1,208.47
Trade Payables	10		
(i) total outstanding dues of micro and small enterprises		7.02	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		109.70	8.43
Debt Securities	11	3,43,466.18	1,38,393.16
Preference Share Capital	12	10,432.99	5,833.00
Subordinated Liabilities	13	26,307.16	-
Other financial liabilities	14	3,257.93	1,007.98
		<b>3,83,580.98</b>	<b>1,46,451.04</b>
<b>Non-Financial Liabilities</b>			
Current tax liabilities (Net)	15	2,371.53	42.79
Deferred tax Liabilities (Net)	16	376.00	87.21
Provisions	17	19.31	8.68
Other non-financial liabilities	18	4,376.74	81.32
		<b>7,143.58</b>	<b>220.00</b>
<b>Equity</b>			
Equity Share capital	19	1,550.00	1,456.14
Other Equity	20	41,616.19	17,308.57
		<b>43,166.19</b>	<b>18,764.71</b>
		<b>4,33,890.75</b>	<b>1,65,435.75</b>
<b>Total Liabilities and Equity</b>			

The accompanying notes attached form an integral part of these Financial Statements

For NDAA & Associates LLP

Chartered Accountants

Firm's Registration No.: 129486W/ W100775

Niraj Adatia

Partner

Membership No. : 120844

Mumbai

Date: 30 May 2024



For and on behalf of the Board of Directors of

Alpha Alternatives Financial Services Private Limited

(formerly known as "Provincial Finance and Leasing Co Private Limited")

Naresh Kothari

Director

DIN : 00012523

Mumbai

Jay Paleja

Chief Financial Officer

Mumbai

Shreyans Mehta

Director

DIN : 06756771

Mumbai

Rupali Maini

Company Secretary

Membership No : A64083

Mumbai





Alpha Alternatives Financial Services Private Limited  
(formerly known as "Provincial Finance And Leasing Co Private Limited")

Statement of Profit and Loss Account for the year ended March 31, 2024

(Amount In lakhs)

Particulars	Note No.	For the Year ended March 31, 2024	For the Year ended March 31, 2023
<b>Revenue from operations</b>			
Interest Income	21	13,462.67	7,672.78
Net gain on sale of Financial Instrument	22	55,677.93	22,918.35
Net gain on fair value changes	23	1,308.80	428.04
<b>Total Revenue from operations</b>		<b>70,449.40</b>	<b>31,019.17</b>
Other Income	24	38.64	22.36
<b>Total Income</b>		<b>70,488.04</b>	<b>31,041.53</b>
<b>Expenses</b>			
Finance Costs	25	43,643.56	20,306.02
Employee Benefits Expenses	26	3,549.85	1,477.83
Depreciation, amortization and impairment	27	1.17	1.80
Others expenses	28	4,926.62	3,400.24
<b>Total Expenses</b>		<b>52,121.20</b>	<b>25,185.89</b>
Profit / (loss) before exceptional items and tax		18,366.84	5,855.64
Exceptional items		-	-
<b>Profit/(loss) before tax</b>		<b>18,366.84</b>	<b>5,855.64</b>
<b>Tax Expense:</b>			
Current Tax		4,562.98	1,289.47
Deferred Tax (Net)		(112.07)	184.03
(Excess)/ Short provision for earlier years		165.13	-
		4,616.04	1,473.50
<b>Profit / (loss) for the period from continuing operations</b>		<b>13,750.80</b>	<b>4,382.14</b>
Profit/(loss) from discontinued operations		-	-
Tax Expense of discontinued operations		-	-
Profit/(loss) from discontinued operations(After tax)		-	-
<b>Profit/(loss) for the period</b>		<b>13,750.80</b>	<b>4,382.14</b>
<b>Other Comprehensive Income</b>			
(A) (i) Items that will not be reclassified to profit or loss			
Fair valuation on Equity instrument		3,605.78	(803.65)
Remeasurement of the net defined benefit obligation gain / (loss)		(6.81)	(1.71)
(ii) Income tax relating to items not be reclassified to profit or loss		(400.85)	84.01
<b>Subtotal (A)</b>		<b>3,198.12</b>	<b>(721.35)</b>
(B) (i) Items that will be reclassified to profit or loss			
<b>Subtotal (B)</b>		<b>-</b>	<b>-</b>
<b>Other Comprehensive Income (A + B)</b>		<b>3,198.12</b>	<b>(721.35)</b>
<b>Total Comprehensive Income for the period</b>		<b>16,948.92</b>	<b>3,660.79</b>
<b>Earnings per equity share (for continuing operations)</b>	29		
Basic (Rs.)		92.74	32.58
Diluted (Rs.)		92.74	32.58

The accompanying notes attached form an integral part of these Financial Statements

**For NDAA & Associates LLP**

Chartered Accountants

Firm's Registration No.: 129486W/ W100775

**Niraj Adatia**

Partner

Membership No. : 120844

Mumbai

Date: 30 May 2024



**For and on behalf of the Board of Directors of**

**Alpha Alternatives Financial Services Private Limited**

(formerly known as "Provincial Finance and Leasing Co Private Limited")

**Naresh Kothari**

Director

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**Jay Paleja**

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Director

DIN : 06756771

Mumbai

**Rupali Maini**

Company Secretary

Membership No : A64083

Mumbai



Alpha Alternatives Financial Services Private Limited  
(formerly known as "Provincial Finance And Leasing Co Private Limited")

Cash Flow Statement for the period ended March 31, 2024

(Amount In lakhs)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
<b>[A] CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax	18,366.84	5,855.64
<b>Adjustments for:</b>		
Interest Income	(259.55)	-
Interest Expenses	43,643.56	20,306.02
Provision for Standard Assets	28.20	0.40
Net gain on Fair Value Change	(1,308.80)	941.25
(Profit)/Loss on sale of Investments (Net)	(616.41)	(18.55)
Depreciation	1.17	1.80
<b>Operating Profit/(Loss) before changes in working capital</b>	<b>59,855.01</b>	<b>27,086.56</b>
<b>Adjustment for (Increase)/Decrease in Operating Assets</b>		
Adjustments for other non financial assets	(23.44)	(23.19)
Adjustments for other financial assets	(14,881.45)	(698.55)
Net Sale / (Purchase) of investment	(2,49,380.70)	(1,11,898.61)
Net Loan Proceeds/ (Given)	4,841.15	(36.47)
Margin (Given)/ Received	-	20,000.00
<b>Adjustment for Increase/(Decrease) in Operating Liabilities</b>		
Adjustments for increase (decrease) in trade payables	108.29	(2.50)
Adjustments for provisions	3.82	4.36
Adjustments for other financial liabilities	2,249.95	1,002.81
Adjustments for other non financial liabilities	4,295.42	76.36
<b>Cash flow from operations after changes in working capital</b>	<b>(1,92,931.94)</b>	<b>(64,489.23)</b>
Net Direct Taxes (Paid)/Refunded	(2,549.37)	(1,235.55)
<b>Net Cash Flow from/(used in) Operating Activities</b>	<b>(1,95,481.31)</b>	<b>(65,724.78)</b>
<b>[B] CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of investment	1,529.45	172.37
Purchase of investment	(3,136.33)	-
Purchase of Fixed Asset	(0.86)	(3.57)
<b>Net Cash Flow from/(used in) Investing Activities</b>	<b>(1,607.74)</b>	<b>168.80</b>
<b>[C] CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuing shares (Including security premium)	7,452.57	4,500.00
Proceeds from Debt Securities (Including Debenture Premium)	1,68,740.00	97,161.20
Redemption of Debt Securities (Including Debenture Premium)	-	(49,300.50)
Proceeds from issue of Preference Share Capital	4,599.99	5,833.00
Proceeds from Subordinated Liabilities	24,070.50	(3,400.00)
Interest Payment	(4,923.88)	(8,024.28)
<b>Net Cash Flow from/(used in) Financing Activities</b>	<b>1,99,939.18</b>	<b>46,769.42</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents</b>	<b>2,850.13</b>	<b>(18,786.57)</b>
Cash & Cash Equivalents at beginning of period (see Note 1)	1,411.02	20,197.58
<b>Cash and Cash Equivalents at end of period (see Note 1)</b>	<b>4,261.15</b>	<b>1,411.02</b>

Notes:

1 Cash and Cash equivalents comprises of:		
Cash on Hands	-	0.33
Balance with Banks	3,500.93	649.52
Fixed Deposit having maturity of less than 3 months	760.22	761.17
<b>Cash and Cash equivalents</b>	<b>4,261.15</b>	<b>1,411.02</b>
Effect of Unrealised foreign exchange (gain)/loss (Net)		
<b>Cash and Cash equivalents as restated</b>	<b>4,261.15</b>	<b>1,411.02</b>
2 Figures of the previous year have been regrouped / reclassified wherever necessary.		
3 The cash flow statement has been prepared under the indirect method as set out in Ind AS 7, 'Statement of Cash flows'		

As per our report of even date

For NDAA & Associates LLP  
Chartered Accountants  
Firm's Registration No.: 129486W/ W100775

Niraj Adatia  
Partner  
Membership No. : 120844  
Mumbai  
Date: 30 May 2024



For and on behalf of the Board of Directors of  
Alpha Alternatives Financial Services Private Limited

*Naresh Kothari*

Naresh Kothari  
Director  
DIN : 00012523  
Mumbai

*Shreyans Mehta*

Shreyans Mehta  
Director  
DIN : 06756771  
Mumbai

*Jay Paleja*

Jay Paleja  
Chief Financial Officer  
Mumbai

*Rupali Maini*

Rupali Maini  
Company Secretary  
Membership No : A64083  
Mumbai





Alpha Alternatives Financial Services Private Limited  
(formerly known as "Provincial Finance And Leasing Co Private Limited")

Notes to Financial Statement for the year ended March 31, 2024

Statement of Changes in Equity

A) Equity share capital

(Amount In lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the current reporting period	1,456.14	1,343.64
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	-	-
Changes in equity share capital during the current year	93.86	112.50
<b>Balance at the end of the current reporting period</b>	<b>1,550.00</b>	<b>1,456.14</b>

B) Other equity

For the year ended March 31, 2024

Particulars	Retained earnings	Reserve fund as per RBI Act	Securities Premium	General reserve	OCI - Fair Valuation of Investment	OCI - Remeasurement of the net defined benefit obligation gain / (loss)	Total other equity
Balance as at 31 March 2023	3,543.53	878.76	13,726.67	10.00	(847.23)	(3.16)	17,308.57
Profit after tax	13,750.80	-	-	-	-	-	13,750.80
Other comprehensive income	(86.02)	-	-	-	3,289.23	(5.10)	3,198.12
<b>Total</b>	<b>17,208.31</b>	<b>878.76</b>	<b>13,726.67</b>	<b>10.00</b>	<b>2,442.00</b>	<b>(8.26)</b>	<b>34,257.48</b>
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	(2,750.16)	2,750.16	-	-	-	-	-
Received during the year	-	-	7,358.71	-	-	-	7,358.71
<b>As at March 31, 2024</b>	<b>14,458.15</b>	<b>3,628.92</b>	<b>21,085.38</b>	<b>10.00</b>	<b>2,442.00</b>	<b>(8.26)</b>	<b>41,616.19</b>

For the year ended March 31, 2023

Particulars	Retained earnings	Reserve fund as per RBI Act	Securities Premium	General reserve	OCI - Fair Valuation of Investment	OCI - Remeasurement of the net defined benefit obligation gain / (loss)	Total other equity
Balance as at 31st March 2022	21.02	2.33	19,536.17	10.00	(110.36)	(1.88)	19,457.27
Profit after tax	4,382.14	-	-	-	-	-	4,382.14
Other comprehensive income	16.80	-	-	-	(736.87)	(1.28)	(721.35)
<b>Total</b>	<b>4,419.96</b>	<b>2.33</b>	<b>19,536.17</b>	<b>10.00</b>	<b>(847.23)</b>	<b>(3.16)</b>	<b>23,118.06</b>
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	(876.43)	876.43	-	-	-	-	-
Received during the year	-	-	4,387.50	-	-	-	4,387.50
Transferred to MLD Liability	-	-	(10,197.00)	-	-	-	(10,197.00)
<b>As at March 31, 2023</b>	<b>3,543.53</b>	<b>878.76</b>	<b>13,726.67</b>	<b>10.00</b>	<b>(847.23)</b>	<b>(3.16)</b>	<b>17,308.57</b>

The accompanying notes attached form an integral part of these Financial Statements

For NDAA & Associates LLP

Chartered Accountants

Firm's Registration No.: 129486W/ W100775

Niraj Adatia

Partner

Membership No. : 120844

Mumbai

Date: 30 May 2024



For and on behalf of the Board of Directors of

Alpha Alternatives Financial Services Private Limited

Naresh Kothari

Director

DIN : 00012523

Mumbai

Jay Paleja

Chief Financial Officer

Mumbai

Shreyans Mehta

Director

DIN : 06756771

Mumbai

Rupali Maini

Company Secretary

Membership No : A64083

Mumbai



**Note 1. Corporate Information**

Alpha Alternatives Financial Services Private Limited (formerly known as "Provincial Finance and Leasing Co Private Limited") ('the Company'), incorporated in India, is a private limited company. The Company is Non-Deposit Accepting Non-Banking Financial Company ('NBFC') as defined under Section 45-IA of the Reserve Bank of India ('RBI') Act, 1934. The company, a Systemically Important non-banking financial company (NBFC) has been classified by Reserve Bank of India as a middle layer NBFC. The company is wholly owned subsidiary of Alpha Alternatives Holdings Private Limited.

**Note 2A. Basis of Preparation and Presentation of Financial Statements**

**(a) Statement of Compliance**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed in the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act.

**(b) Basis of Preparation**

The financial statements are prepared on a going concern basis as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

**Presentation of financial statements**

The Company presents its Balance Sheet in the order of liquidity.

The Company prepares and presents its Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the format prescribed by Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 'Statement of Cash Flows'.

The Company generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only where it has legally enforceable right to offset the recognised amounts and the Company intends to either settle on a net basis or to realise the asset and settle the liability simultaneously as permitted by Ind AS. Similarly, the Company offsets incomes and expenses and reports the same on a net basis where the netting off reflects the substance of the transaction or other events as permitted by Ind AS..

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the company operates and all values are rounded to lakh except when otherwise stated.

**(c) Basis of Measurement**

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values and net defined benefit liability/assets which are valued based on actuarial valuation.

**(d) Use of estimates and judgments**

The preparation of financial statements, in conformity with the Ind AS, requires judgements, estimates and assumptions to be made, that affect the reported amounts of assets and liabilities on the date of the financial statements, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of





the date of the financial statements. Although these estimates are based on the Management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates is recognised in the period in which the results are known or materialised. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

i. Business model assessment

Classification and measurement of financial assets depends on the results of the solely payment of principal and interest ('SPPI') and the business model test. The Company determines the business model at a level that reflects how the Company's financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated.

The Company monitors financial assets measured at amortised cost, fair value through Profit & Loss or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

ii. Impairment of Financial Assets

The Company recognises loss allowances for Expected Credit Losses (ECL) on the following financial instruments that are not measured at FVTPL:

- Loans and advances;
- Debt investment securities;

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment



losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors. Any changes in these factors can result in different levels of allowances.

The Company records allowance for expected credit losses for all loans, together with loan commitments, in this section referred to as 'financial instruments' other than those measured at FVTPL.

The Company's Expected Credit Loss (ECL) calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered as accounting judgements and estimates include:

- The Company's internal credit grading model, which assigns Probability of Defaults (PDs) to the individual grades
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a (Long Term Expected Credit Loss) LTECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, Exposure at Defaults (EADs) and Loss Given Default ('LGDs')
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

iii. Other Estimates

Provision and contingent liability: On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

Effective Interest Rate (EIR) Method : The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the financial instruments.

This estimation, by nature, requires an element of judgment regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/ expense that are integral parts of the instrument.

Recognition of deferred tax assets: Deferred tax assets are recognised for unused tax-loss carry forwards and unused tax credits to the extent that realisation of the related tax benefit is probable. The assessment of the





probability with regard to the realisation of the tax benefit involves assumptions based on the history of the entity and budgeted data for the future.

Share based payment: The Company account for share based payment by measuring and recognizing as compensation expense the fair value of all share-based payment awards made to employees based on estimated grant date fair values. The determination of fair value involves a number of significant estimates. The Company uses the Black Scholes option pricing model to estimate the value of employee stock options which requires a number of assumptions to determine the model inputs. These include the expected volatility of Company’s stock and employee exercise behavior which are based on historical data as well as expectations of future developments over the term of the option. As stock-based compensation expense is based on awards ultimately expected to vest. Management’s estimate of exercise is based on historical experience but actual exercise could differ materially as a result of voluntary employee actions and involuntary actions which would result in significant change in our share based compensation expense amounts in the future.

Property, plant and equipment and Intangible Assets: Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the Company’s historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

**(e) Current-non-current classification**

Assets

An Asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realized in, or is intended for sale or consumption in, the company’s normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realized within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current Assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the company’s normal operating cycle.
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting date; or
- The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current



**Note 2B. Material Accounting Policies**

**(a) Revenue recognition**

**i. Recognition of interest income and Dividend Income**

Interest income on loans is recognised in Statement of profit and loss using the effective interest method for all financial instruments measured at amortised cost. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the Statement of profit and loss.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired, the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit impaired, the Company reverts to calculating interest income on a gross basis.

Additional interest and interest on trade advances, are recognised when they become measurable and when it is not unreasonable to expect their ultimate collection. Interest income on Securities is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable. Interest are recognised when they become measurable and when it is not unreasonable to expect their ultimate collection.

Dividend on shares is recognized as income when the right to receive the dividend is established.

**ii. Gain on sale of investments**

The realised gains/losses from financial instruments at Fair Value through Profit & Loss represents the difference between the carrying amount of a financial instrument at the beginning of the reporting period, or the transaction price if it was purchased in the current reporting period, and its settlement price.

**iii. Gain/(Loss) of Fair value changes**

Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain / loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL is recognised in net gain / loss on sale of financial instruments.

However, net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the 1' Statement of Profit and Loss.





**(b) Financial instruments**

**Initial recognition and measurement**

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognized for financial assets measured at amortized cost.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognizes the difference as follows:

- When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.
- In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognized in profit or loss.

**Fair value of financial instruments**

Some of the Company's assets and liabilities are measured at fair value for financial reporting purpose. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique.

Fair value measurements under Ind AS are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurement are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs) that the Company can access at measurement date.



## Financial assets

### i. Classification and subsequent measurement

The Company has applied Ind AS 109 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortized cost.

### Financial assets carried at Amortised cost

A financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

### Fair value through other comprehensive income

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

### Fair value through profit or loss

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income

### Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as revenue from operations in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'Revenue from operations' in the Statement of Profit and Loss.

Investments in mutual funds are measured at fair value through profit and loss (FVTPL).





**ii. Impairment**

The Company recognizes impairment allowances using Expected Credit Losses (“ECL”) method on all the financial assets that are not measured at FVPTL:

ECL are probability-weighted estimate of credit losses. They are measured as follows:

- Financials assets that are not credit impaired – as the present value of all cash shortfalls that are possible within 12 months after the reporting date.
- Financials assets with significant increase in credit risk - as the present value of all cash shortfalls that result from all possible default events over the expected life of the financial assets.
- Financials assets that are credit impaired – as the difference between the gross carrying amount and the present value of estimated cash flows.

Financial assets are written off/fully provided for when there is no reasonable of recovering a financial assets in its entirety or a portion thereof.

However, financial assets that are written off could still be subject to enforcement activities under the Company’s recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the Statement of Profit and Loss.

**iii. Derecognition**

A financial asset is derecognised only when:

The Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**Financial liabilities**

**i. Initial recognition and measurement**

All financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs.

**ii. Subsequent measurement**

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.



iii. **Derecognition**

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

**Market Linked Debentures ('MLDs')**

A hybrid contract is a financial instrument that gives the holder a right to put the financial instrument back to the issuer in exchange for an amount of cash or other financial assets that varies on the basis of the change in an equity or commodity index or value of underlying investments that may increase or decrease. The company has issued Market Linked debenture, a hybrid contract containing embedded derivatives and manages the resulting risks on a fair value basis using a mix of derivative and non-derivative financial instruments.

The Company has financial assets and financial liabilities that share one or more risks and those risks are managed and performance is evaluated on a fair value basis in accordance with a documented risk management or investment strategy. For reporting purpose, the debentures are valued based on the valuation derived by an independent credit rating agency. The valuation technique used to derive value of debenture considers valuation of all the financial assets attributable to the underlying investment strategy.

(c) **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(d) **Employee Benefits**

**Short-term obligations**

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered. The Company recognises the costs of bonus payments when it has a present obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

**Compensated absences**

The Company does not have a policy of encashment of unavailed leaves for its employees but are permitted to carry forward subject to a prescribed maximum day. Provision is made on actual basis for expected cost of accumulating compensated absences as a result of unused leave entitlement which has accumulated as at the balance sheet date.

**Post-employment obligations**

Defined contribution plan:

Contribution paid/payable to the recognised provident fund and Employee State Insurance Corporation, which is a defined contribution scheme, is charged to the Statement of Profit and Loss in the period in which they occur.

Defined benefits plan:

Gratuity is post-employment benefit and is in the nature of defined benefit plan. The liability recognised in the Balance Sheet in respect of gratuity is the present value of defined benefit obligation at the Balance Sheet date together with the adjustments.





for unrecognised actuarial gain or losses and the past service costs. The defined benefit obligation is calculated at or near the Balance Sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses comprise experience adjustment and the effects of changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

National Pension Scheme and Employee State Insurance Corporation

Contribution paid/payable to the recognised NPS and ESIC, which is a defined contribution scheme, is charged to the Statement of Profit and Loss in the period in which they occur.

#### **Employee Share Based Compensation**

Certain employees of the Company are covered under the stock option plans of the Holding Company. These Schemes are in the nature of equity settled share-based compensation and are assessed, managed and administered by the Holding Company.

In case of equity settled awards, the fair value of awards at the grant date is amortised over the vesting period using accelerated method and cost recognised as an employee benefits expenses in the Statement of Profit and Loss with a corresponding increase in other financial liabilities. The corresponding impact of the expense recorded on account of such grants are recorded as payable to the Holding Company.

#### **(e) Borrowing Costs**

Expenses related to borrowing cost are accounted using effective interest rate. Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset.

#### **(f) Taxation**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax is recognized in Statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

##### **Current Tax**

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

##### **Deferred Tax**

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.



Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries and associates where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

**(g) Provisions and contingencies:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the reporting date.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

**(h) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Outstanding bank overdrafts are not considered integral part of the Company's cash management.

**(i) Earnings per share**

**Basic earnings per share**

Basic earnings per share is calculated by dividing the net profit for the period (excluding other comprehensive income) attributable to equity share holders of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

**Diluted earnings per share**

Diluted earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.



Alpha Alternatives Financial Services Private Limited  
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Notes to Financial Statement for the year ended March 31, 2024

(Amount In lakhs)

**Note - 3 Cash and Cash Equivalents**

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on Hand	-	0.33
Balance with Banks		
In Current Account	3,500.93	649.52
In Fixed Deposit having maturity of less than 3 months (Including interest accrued thereon)	760.22	761.17
	<b>4,261.15</b>	<b>1,411.02</b>

**Note - 4 Derivative financial instruments**

Particulars	As at March	As at March
Index - Options (Net) Assets/ (Liabilities)	387.18	(1,208.47)
	<b>387.18</b>	<b>(1,208.47)</b>

**Note - 5 Loans**

Particulars	As at March 31, 2024			As at March 31, 2023		
	Amortised cost	At fair value through OCI	Total	Amortised cost	At fair value through OCI	Total
<b>Loans (Valued at Amortised Cost)</b>						
Loans to Related Parties	-	-	-	4,600.00	-	4,600.00
Loans to Other	-	-	-	-	-	-
<b>Total (A) - Gross</b>	-	-	-	<b>4,600.00</b>	-	<b>4,600.00</b>
Less: Impairment loss allowance	-	-	-	18.40	-	18.40
<b>Total (A) - Net</b>	-	-	-	<b>4,581.60</b>	-	<b>4,581.60</b>
<b>(B) Out of above</b>						
<b>(i) Secured</b>	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Total (i)	-	-	-	-	-	-
<b>(ii) Unsecured</b>	-	-	-	4,600.00	-	4,600.00
Less: Impairment loss allowance	-	-	-	18.40	-	18.40
Total (ii)	-	-	-	<b>4,581.60</b>	-	<b>4,581.60</b>
<b>Total (B) = (i) + (ii)</b>	-	-	-	<b>4,581.60</b>	-	<b>4,581.60</b>
<b>(C) Out of above</b>						
<b>(I) Loans in India</b>						
(i) Public Sector	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
<b>Subtotal (i)</b>	-	-	-	-	-	-
(ii) Others	-	-	-	4,600.00	-	4,600.00
Less: Impairment loss allowance	-	-	-	18.40	-	18.40
<b>Subtotal (ii)</b>	-	-	-	<b>4,581.60</b>	-	<b>4,581.60</b>
<b>Total (I)</b>	-	-	-	<b>4,581.60</b>	-	<b>4,581.60</b>
<b>(II) Loans outside India</b>	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
<b>Total (II)</b>	-	-	-	-	-	-
<b>Total C(I) and C(II)</b>	-	-	-	<b>4,581.60</b>	-	<b>4,581.60</b>

As per the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015, Company has made provisions for Standard Assets.





Alpha Alternatives Financial Services Private Limited  
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Notes to Financial Statement for the year ended March 31, 2024

Summary of loans by stage distribution

(Amount In lakhs)

Particulars	As at March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	-	-	-	-
Less: Impairment loss allowance	-	-	-	-
<b>Net carrying amount</b>	-	-	-	-

Particulars	As at March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	4,600.00	-	-	4,600.00
Less: Impairment loss allowance	18.40	-	-	18.40
<b>Net carrying amount</b>	<b>4,581.60</b>	-	-	<b>4,581.60</b>

Analysis of changes in the gross carrying amount and corresponding ECL allowances in relation to loans is as follows

Particulars	As at March 31, 2024							
	Stage 1		Stage 2		Stage 3		Total	
	Term Loans (Gross)	Impairment loss allowance	Term Loans (Gross)	Impairment loss allowance	Term Loans (Gross)	Impairment loss allowance	Term Loans (Gross)	Impairment loss allowance
<b>As at March 31, 2023</b>	4,600.00	18.40					4,600.00	18.40
Transfers during the year								
transfers to stage 1	-						-	-
transfers to stage 2	-						-	-
transfers to stage 3	-						-	-
Impact of changes in credit risk on account of stage movements	-						-	-
Changes in opening credit exposures (additional disbursement net of repayments)	(4,600.00)	(18.40)					(4,600.00)	(18.40)
New credit exposures during the year, net of repayments	-	-					-	-
Amounts written off during the year							-	-
<b>As at March 31, 2024</b>	-	-	-	-	-	-	-	<b>0.00</b>

Particulars	As at 31 March 2023							
	Stage 1		Stage 2		Stage 3		Total	
	Term Loans (Gross)	Impairment loss allowance	Term Loans (Gross)	Impairment loss allowance	Term Loans (Gross)	Impairment loss allowance	Term Loans (Gross)	Impairment loss allowance
<b>As at March 31, 2022</b>	4,500.00	18.00					4,500.00	18.00
Transfers during the year								
transfers to stage 1	-						-	-
transfers to stage 2	-						-	-
transfers to stage 3	-						-	-
Impact of changes in credit risk on account of stage movements	-						-	-
Changes in opening credit exposures (additional disbursement net of repayments)	100.00	0.40					100.00	0.40
New credit exposures during the year, net of repayments							-	-
Amounts written off during the year							-	-
<b>As at March 31, 2023</b>	<b>4,600.00</b>	<b>18.40</b>	-	-	-	-	<b>4,600.00</b>	<b>18.40</b>



**Alpha Alternatives Financial Services Private Limited**  
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Notes to Financial Statement for the year ended March 31, 2024

(Amount In lakhs)

**Note - 6 Investments**

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(A) At fair value through other comprehensive income</b>		
(i) In Equity Instruments	6,867.55	3,271.57
(ii) In Warrants	2,233.10	-
<b>Total (A)</b>	<b>9,100.65</b>	<b>3,271.57</b>
<b>(B) At fair value through profit or loss (Held for trading)</b>		
(i) In Equity Instruments	25,890.19	2,994.99
(ii) In Government Securities and Treasury Bills	2,93,858.79	71,708.34
(iii) In Mutual Funds	16,742.44	29,809.91
(iv) In Bonds	34,584.81	2,080.64
<b>Total (B)</b>	<b>3,71,076.23</b>	<b>1,06,593.88</b>
<b>(C) At Amortised Cost</b>		
<b>In Others</b>		
(i) Unlisted Secured Redeemable Non Convertible debentures	10,354.52	3,813.83
(ii) Reverse Repo	799.95	35,503.77
(iii) Certificate of deposit/ Commercial Papers	22,281.28	9,488.26
<b>Total (C)</b>	<b>33,435.75</b>	<b>48,805.86</b>
<b>(A+B+C)</b>	<b>4,13,612.63</b>	<b>1,58,671.31</b>
Investment in India	4,13,612.63	1,58,671.31
Investments outside India	-	-
<b>Total (Gross)</b>	<b>4,13,612.63</b>	<b>1,58,671.31</b>
Less: Allowance for impairment	46.60	-
<b>Total (Net)</b>	<b>4,13,566.03</b>	<b>1,58,671.31</b>

**Analysis of changes in the gross carrying amount and corresponding ECL allowances, if any in relation to Investment at Amortised Cost**

Particulars	Gross carrying - Stage 1	Impairment amount - allowance Stage 1
Opening as on April 1, 2023	48,805.86	-
New assets originated	43,65,646.97	46.60
Exposure matured / repaid	(43,81,017.08)	-
Closing as on March 31, 2024	<b>33,435.75</b>	<b>46.60</b>

**Note - 7 Other Financial assets**

Particulars	As at March 31, 2024	As at March 31, 2023
Balance with brokers	1,092.65	745.84
IPO pending allotment	14,534.64	-
	<b>15,627.29</b>	<b>745.84</b>

**IPO Pending allotment - As at March 31, 2024**

Particulars	Date of Allotment	Application Amount
SRM Contractors Ltd	02-Apr-24	9,114.00
Blue Pebble Ltd	02-Apr-24	1,202.88
Trust Fintech Limited	02-Apr-24	4,217.76
		<b>14,534.64</b>

**Note - 9 Other non-financial assets**

Particulars	As at March 31, 2024	As at March 31, 2023
Prepaid Expense	0.62	9.17
Advances to Employees	7.29	-
Advances to others	11.88	-
Deposits	27.85	15.03
	<b>47.64</b>	<b>24.20</b>



Alpha Alternatives Financial Services Private Limited  
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Notes to Financial Statement for the year ended March 31, 2024

Note - 8 Property, Plant and Equipment

(Amount in lakhs)

Tangible assets	Gross block			Accumulated depreciation and impairment			Net block		
	Balance as at April 01, 2023	Additions	Disposals	Balance as at March 31, 2024	Balance as at April 01, 2023	Depreciation / amortisation expense for the year	Accumulated Depreciation on disposed Asset	Balance as at March 31, 2024	Balance as at March 31, 2023
(a) Computers	3.58	0.85	-	4.43	1.80	1.17	-	1.46	1.78
<b>Total</b>	<b>3.58</b>	<b>0.85</b>	<b>-</b>	<b>4.43</b>	<b>1.80</b>	<b>1.17</b>	<b>-</b>	<b>1.46</b>	<b>1.78</b>
Previous year	-	3.58	-	3.58	-	1.80	-	1.78	-





**Alpha Alternatives Financial Services Private Limited**  
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Notes to Financial Statement for the year ended March 31, 2024

(Amount in lakhs)

**Note - 10 Trade Payables**

Particulars	As at March 31, 2024	As at March 31, 2023
(i) total outstanding dues of micro enterprises and small enterprises	7.02	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	109.70	8.43
	<b>116.72</b>	<b>8.43</b>

As at March 31, 2024	Outstanding for following periods from the date of transaction					
	Particulars	Less than 1 year	1 - 2 years	2- 3 years	More than 3 years	Total
i) MSME	7.02	-	-	-	-	7.02
ii) Others	109.70	-	-	-	-	109.70
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - others	-	-	-	-	-	-
	<b>116.72</b>	-	-	-	-	<b>116.72</b>

As at March 31, 2023	Outstanding for following periods from the date of transaction					
	Particulars	Less than 1 year	1 - 2 years	2- 3 years	More than 3 years	Total
i) MSME	-	-	-	-	-	-
ii) Others	12.39	-	-	-	-	12.39
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - others	-	-	-	-	-	-
	<b>12.39</b>	-	-	-	-	<b>12.39</b>

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Dues to Micro &amp; Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditor.</b>		
1.The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year :		
Principal	7.02	-
Interest	-	-
2.The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
3.The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
4.The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
5.The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-



**Alpha Alternatives Financial Services Private Limited**  
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**Notes to Financial Statement for the year ended March 31, 2024**

**Note - 11 Debt securities**

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Secured</b>		
Market Linked Debentures - privately placed - Valued at FVTPL (MLD)	3,43,466.18	1,38,393.16
<b>Total MLD Liability</b>	<b>3,43,466.18</b>	<b>1,38,393.16</b>
<b>Of the Above</b>		
i) Debt securities in India	3,43,466.18	1,38,393.16
ii) Debt securities outside India	-	-

**Footnote:**

**Market Linked Debentures**

The above mentioned Market Linked Debentures are Rated, Secured, Listed, Transferable, Redeemable, Principal Protected Market Linked Non-Convertible Debentures (MLDs) carrying variable interest rate which is linked to Underlying Investment Strategy over the tenure of the debentures.

The MLDs are secured against investments made by the company using such proceeds i.e. all the right, title, benefits attached to the Debenture Accounts and the monies lying in Debenture Accounts.

The interest rate/range of the MLDs is not fixed and hence cannot be ascertained. The MLDs are valued based on the valuation derived by an independent valuer. The valuation technique used to derive value of debenture considers valuation of all the financial assets attributable to the Underlying Investment Strategy.

The Underlying Investment Strategy is a combination of active, market non-directional strategies which invests in shares, commodities, currencies, debentures, bonds, depository receipts, options, derivatives, government securities, credit, alternative investments, structured products, ETF & financial instruments aiming to achieve consistent absolute returns across different market conditions. The Underlying Investment Strategy endeavours to invest across multiple strategies to construct a well-diversified investment pool with high focus on risk management and control.

**Terms of Repayment**

Particulars	ISIN	Quoted / Unquoted	Date of Maturity	Amount (FV)
Market Linked Debentures - privately placed (EQAR MLD - Series A)	INE016807013	Quoted	09-Apr-25	25,110.00
Market Linked Debentures - privately placed (EQAR MLD - Series B)	INE016807021	Quoted	11-Jun-25	33,670.00
Market Linked Debentures - privately placed (EQAR MLD - Series C)	INE016807039	Quoted	03-Sep-25	9,080.00
Market Linked Debentures - privately placed (EQAR MLD - Series D)	INE016807054	Quoted	04-Dec-25	20,700.00
Market Linked Debentures - privately placed (EQAR MLD - Series E)	INE016807062	Quoted	27-Apr-26	35,353.00
Market Linked Debentures - privately placed (EQAR MLD - Series F)	INE016807088	Quoted	17-Jun-26	19,134.00
Market Linked Debentures - privately placed (EQAR MLD - Series G)	INE016807096	Quoted	04-Nov-26	38,901.00
Market Linked Debentures - privately placed (EQAR MLD - Series H)	INE016807112	Quoted	20-Apr-27	7,670.00
Market Linked Debentures - privately placed (EQAR MLD - Series I)	INE016807138	Quoted	04-Jun-27	16,676.00
Market Linked Debentures - privately placed (CAR MLD - Series A)	INE016807047	Quoted	21-Oct-25	18,890.00
Market Linked Debentures - privately placed (CAR MLD - Series B)	INE016807070	Quoted	25-May-26	8,201.00
Market Linked Debentures - privately placed (CAR MLD - Series C)	INE016807104	Quoted	13-Oct-26	8,795.00
Market Linked Debentures - privately placed (CAR MLD - Series D)	INE016807120	Quoted	14-May-27	8,270.00



**Alpha Alternatives Financial Services Private Limited**  
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**Notes to Financial Statement for the year ended March 31, 2024**

**Note - 12 Preference Share Capital**

Particulars	As at March 31, 2024	As at March 31, 2023
<b>At Amortized Cost</b>		
21,61,649 0.0001% Cumulative Convertible Preference Shares (PY 14,58,250) of Rs 10 each	10,432.99	5,833.00
<b>Total</b>	<b>10,432.99</b>	<b>5,833.00</b>
<b>Of the Above</b>		
i) Preference Share Capital issued in India	10,432.99	5,833.00
ii) Preference Share Capital issued outside India	-	-

Particulars	Date of Allotment	Quantity	Issue Price
Compulsorily Convertible Preference Shares	28-Mar-23	14,58,250	5,833.00
Compulsorily Convertible Preference Shares	03-Apr-23	2,50,000	1,000.00
Compulsorily Convertible Preference Shares - Series A CCPS	27-Feb-24	4,53,399	3,599.99
		<b>21,61,649</b>	<b>10,432.99</b>

**Terms of Compulsorily Convertible Preference Shares (CCPS) - Subordinated Liability**

Each holder of CCPS shall have the right to convert all or part of the CCPS held by it into Equity Shares at the CCPS Conversion Ratio, on a date that such holder of CCPS may elect, by delivery of a prior written notice of at least 15 (Fifteen) days to the Company. The conversion ratio applicable to such CCPS shall be determined basis the prevailing fair market value of the Equity Shares as determined by a registered valuer at the time of exercise of conversion right by the holders of the CCPS, in accordance with the applicable Law.

All outstanding CCPS shall be compulsorily converted into Equity Shares at the CCPS Conversion Ratio on: (i) the 10th anniversary from the date of allotment, subject to applicable Law; or (ii) a date immediately prior to the closing of an initial public offer of the Company; whichever is earlier.

**Note - 13 Subordinated Liabilities**

Particulars	As at March 31, 2024	As at March 31, 2023
Non Convertible Debentures (Valued at Amortised Cost)	7,437.30	-
Non Convertible Debentures (Valued at FVTPL)	18,869.86	-
<b>Total</b>	<b>26,307.16</b>	<b>-</b>
<b>Of the Above</b>		
i) Borrowings in India	26,307.16	-
ii) Borrowings outside India	-	-

**Unsecured Subordinated Redeemable Non-Convertible Debentures**

**Terms of Repayment**

Particulars	Interest Rate	Amount	Issue Amount
Unsecured Rated Listed Principal Protected Market Linked Non-Convertible Debentures	Note A	24-Apr-33	10,000.50
Unsecured Rated Listed Principal Protected Market Linked Non-Convertible Debentures	Note A	24-Feb-34	6,903.00
Unsecured Unrated Unlisted Non-Convertible Debentures*	12%	12-Apr-29	5,500.00
Unsecured Rated Listed Non-Convertible Debentures	21%	15-May-33	1,667.00
			<b>24,070.50</b>

**Note A**

The coupon rate for Non-Convertible Debentures (NCDs) is variable in nature and hence the interest rate/range cannot be ascertained. It is calculated based on the terms of the NCDs.

\* W.e.f April 01, 2024, the terms of Unsecured Unrated Unlisted Non-Convertible Debentures will be as follows

- Rate of Interest changed to 14% p.a
- Tenor of Debenture extended until April 2034





Alpha Alternatives Financial Services Private Limited  
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Notes to Financial Statement for the year ended March 31, 2024

**Note - 14 Other Financial Liabilities**

Particulars	As at March 31, 2024	As at March 31, 2023
Employee benefits payable	2,517.31	1,004.02
Other Payables	740.62	3.96
	<b>3,257.93</b>	<b>1,007.98</b>

**Note - 15 Current tax assets (Net)**

Particulars	As at March 31, 2024	As at March 31, 2023
Income Tax (Net of Provisions)	2,371.53	42.79
	<b>2,371.53</b>	<b>42.79</b>

**Note - 16 Deferred tax Assets/ Liabilities (Net)**

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax Assets/ Liabilities (Net)	376.00	87.21
	<b>376.00</b>	<b>87.21</b>

**Deferred tax assets recorded in Balance Sheet**

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax relates to the following:		
<i>Deferred tax assets</i>		
Remeasurement of employee benefit	4.86	2.18
Provision for Standard Assets	11.73	4.63
Net gain on fair valuation of Investments not adjusted under Income Tax Act, 1961		
Others	251.68	
Depreciation	0.13	0.09
<b>Gross deferred tax assets</b>	<b>268.40</b>	<b>6.91</b>
<i>Deferred tax liabilities</i>		
Remeasurement of employee benefit		
Net gain on fair valuation of Investments not adjusted under Income Tax Act, 1961	644.39	94.12
Depreciation		
<b>Gross deferred tax liabilities</b>	<b>644.39</b>	<b>94.12</b>
<b>Deferred tax assets/(liabilities) (Net)</b>	<b>376.00</b>	<b>87.21</b>

**Note - 17 Provisions**

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Gratuity	19.31	8.68
	<b>19.31</b>	<b>8.68</b>

**Note - 18 Other Non-Financial Liabilities**

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory Dues	4,376.74	81.32
	<b>4,376.74</b>	<b>81.32</b>



Alpha Alternatives Financial Services Private Limited  
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Notes to Financial Statement for the year ended March 31, 2024

Note - 19 Equity Share capital

(Amount In lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Authorised</b>		
1,75,00,000 Equity Shares (PY 1,50,00,000) of Rs. 10 each	1,750.00	1,500.00
35,00,000 0.0001% Cumulative Compulsorily Convertible Preference Shares (PY 35,00,000) of Rs 10 each	350.00	350.00
<b>Issued, Subscribed and Paid Up</b>		
1,55,00,000 Equity Shares (PY 1,45,61,388) of Rs. 10 each fully paid up	1,550.00	1,456.14
	<b>1,550.00</b>	<b>1,456.14</b>

(A) Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	1,45,61,388	1,456.14	1,34,36,388	1,343.64
Add:- Shares issued during the year	9,38,612	93.86	11,25,000	112.50
Less: Share bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>1,55,00,000</b>	<b>1,550.00</b>	<b>1,45,61,388</b>	<b>1,456.14</b>

(B) Terms/rights/restrictions attached to equity shares

The Company has only one class of equity shares having a par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend, if any is proposed by the Board of Directors and is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(C) Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2024		As at March 31, 2023	
	Nos.	% of Holding	Nos.	% of Holding
Alpha Alternatives Holdings Private Limited	1,55,00,000	100	1,45,61,388	100
	<b>1,55,00,000</b>	<b>100</b>	<b>1,45,61,388</b>	<b>100</b>

(D) Details of Promoters shareholders holding in equity shares of the company

Promoter Name	As at March 31, 2024		
	Nos.	% of Holding	% Change during the year
Alpha Alternatives Holdings Private Limited	1,55,00,000	100	-
Promoter Name	As at March 31, 2023		
	Nos.	% of Holding	% Change during the year
Alpha Alternatives Holdings Private Limited	1,45,61,388	100	-

Note - 20 Other equity

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(I) Retained Earnings</b>		
Balance at the beginning of the year (a)	3,543.53	21.02
Profit/ Loss on Sale of Equity transferred through OCI (b)	(86.02)	16.80
Profit/(Loss) for the year (c)	13,750.80	4,382.14
<b>Appropriations:</b>		
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	2,750.16	876.43
Impairment Reserve	-	-
<b>Total appropriations (d)</b>	<b>2,750.16</b>	<b>876.43</b>
<b>Balance at the end of the year (a+b+c-d)</b>	<b>14,458.15</b>	<b>3,543.53</b>



Alpha Alternatives Financial Services Private Limited  
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Notes to Financial Statement for the year ended March 31, 2024

Other Reserves

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Other Comprehensive Income</b>		
Balance as at the beginning of the year	(850.39)	(112.24)
Fair valuation on Equity instrument	3,203.21	(720.07)
Profit/ Loss on Sale of Equity transferred to Retained Earnings	86.02	(16.80)
Remeasurement of the net defined benefit obligation gain / (loss)	(5.10)	(1.28)
<b>Balance as at the end of the year</b>	<b>2,433.74</b>	<b>(850.39)</b>
<b>(II) Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934</b>		
Balance as at the beginning of the year	878.76	2.33
Add: Transferred during the year	2,750.16	876.43
<b>Balance as at the end of the year</b>	<b>3,628.92</b>	<b>878.76</b>
<b>(III) General Reserve</b>		
Balance as at the beginning of the year	10.00	10.00
Add:- Received during the year	-	-
<b>Balance at the end of the year</b>	<b>10.00</b>	<b>10.00</b>
<b>(IV) Securities Premium</b>		
Balance as at the beginning of the year	13,726.67	19,536.17
Add:- Received during the year (Net off Share issue Expense)	7,358.71	4,387.50
Add/ (Less):- Debenture Premium (Net)	-	(10,197.00)
<b>Balance at the end of the year</b>	<b>21,085.38</b>	<b>13,726.67</b>
	<b>41,616.19</b>	<b>17,308.57</b>

Nature and purpose of other equity

(i) Retained earnings

Retained earnings or accumulated surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves.

(ii) Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934

As per Section 45-IC of Reserve Bank of India Act, 1934 every non-banking financial company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the Statement of profit and loss and before any dividend is declared. No appropriation of any sum from the reserve fund shall be made by the non-banking financial company except for the purpose as may be specified by the Reserve Bank of India from time to time and every such appropriation shall be reported to the Reserve Bank of India within twenty-one days from the date of such withdrawal. The said amount has been transferred at the end of the Financial Year.

(iii) General reserve

The general reserve is a free reserve, retained from Company's profits and can be utilized upon fulfilling certain conditions in accordance with specific requirement of Companies Act, 2013

(iv) Securities Premium

Securities premium reserve is used to record the premium on issue of shares





Alpha Alternatives Financial Services Private Limited  
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Notes to Financial Statement for the year ended March 31, 2024

(Amount In lakhs)

**Note - 21 Interest Income**

Particulars	For the Year ended March 31, 2024			
	On financial assets measured at			
	FVOCI	Amortised Cost	FVTPL	Total
Interest income - Fixed Deposit	-	48.86	-	48.86
Interest income - Loan	-	259.55	-	259.55
Interest income - Fixed Income Securities	-	1,619.97	9,429.33	11,049.30
Interest income - AIF	-	-	209.29	209.29
Interest income - Others	-	1,895.67	-	1,895.67
	-	<b>3,824.05</b>	<b>9,638.62</b>	<b>13,462.67</b>

Particulars	For the Year ended March 31, 2023			
	On financial assets measured at			
	FVOCI	Amortised Cost	FVTPL	Total
Interest income - Fixed Deposit	-	553.48	-	553.48
Interest income - Loan	-	1,159.71	-	1,159.71
Interest income - Fixed Income Securities	-	731.53	3,999.20	4,730.73
Interest income - Others	-	1,228.86	-	1,228.86
	-	<b>3,673.58</b>	<b>3,999.20</b>	<b>7,672.78</b>

**Note - 22 Net gain on Sale of Financial Instrument**

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Gain / (Loss) on Sale of Investments	14,262.36	1,810.13
Gain / (Loss) on Derivatives	41,415.57	21,108.22
	<b>55,677.93</b>	<b>22,918.35</b>

**Note - 23 Net gain on fair value changes**

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Gain / (Loss) on Fair Value Changes on Investments	1,412.18	267.22
Gain / (Loss) on Fair Value Changes on Derivatives	(103.38)	160.82
	<b>1,308.80</b>	<b>428.04</b>

**Note - 24 Other Income**

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Dividend Income	38.64	22.36
	<b>38.64</b>	<b>22.36</b>

**Note - 25 Finance costs**

Particulars	For the Year ended March 31, 2024		
	On financial liabilities measured at		
	Amortised Cost	FVTPL	Total
Interest on Subordinated Debt	938.69	2,184.85	3,123.54
Coupon of Market Linked Debentures	-	40,370.02	40,370.02
Interest - Others	150.00	-	150.00
	<b>1,088.69</b>	<b>42,554.87</b>	<b>43,643.56</b>

Particulars	For the Year ended March 31, 2023		
	On financial liabilities measured at		
	Amortised Cost	FVTPL	Total
Interest on Subordinated Debt	605.13	-	605.13
Coupon of Market Linked Debentures	-	19,700.89	19,700.89
	<b>605.13</b>	<b>19,700.89</b>	<b>20,306.02</b>



**Alpha Alternatives Financial Services Private Limited**  
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**Notes to Financial Statement for the year ended March 31, 2024**

**Note - 26 Employee Benefits Expenses**

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Salaries, Bonus and allowances	2,809.26	1,470.96
Share Based Payments	734.15	-
Contribution to Other Funds	3.82	4.36
Staff welfare expenses	2.62	2.51
	<b>3,549.85</b>	<b>1,477.83</b>

**Note - 27 Depreciation and Amortization Expenses**

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Depreciation on Property Plant and Equipment	1.17	1.80
	<b>1.17</b>	<b>1.80</b>

**Note - 28 Other Expenses**

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Brokerage & Other Charges	4,393.16	2,921.69
Legal and Professional Fees	49.18	182.70
Business Support Charges	94.76	126.68
Rates and Taxes	151.25	64.70
Issue expenses	111.40	46.84
Audit Fees	-	-
For statutory audit	8.75	7.65
Other Services	1.85	3.60
Director Sitting Fees	8.70	2.90
CSR Expenses (Note (a))	46.00	-
Miscellaneous Expenses	33.06	42.83
Bank Charges	0.31	0.25
Provision for Standard Asset	28.20	0.40
	<b>4,926.62</b>	<b>3,400.24</b>

Note (a) : Corporate Social Responsibility (CSR)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
i) Gross amount required to be spent by the company during the year	45.27	-
ii) Amount approved by the Board to be spent during the year	46.00	-
Construction/acquisition of any asset	-	-
On purposes other than (i) above	46.00	-
iii) Amount spent during the year on:		
Construction/acquisition of any asset	-	-
On purposes other than (i) above	46.00	-
iv) Shortfall at the end of the year,	-	-
v) The total of previous years' shortfall / (Excess) amounts;	-	-
vi) The reason for above shortfalls	-	-
vii) (Excess) / Shortfall Payment at the end of the year	(0.73)	-

**Nature of CSR activities:**

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
a) Health and Education	11.00	-
b) Relief and Wellness	25.00	-
c) Minorities and Other Backward Communities	10.00	-



**Alpha Alternatives Financial Services Private Limited**  
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**Notes to Financial Statement for the year ended March 31, 2024**

**Note- 29 Earnings per share (EPS)**

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(A) Net profit attributable to equity shareholders	13,750.80	4,382.14
(B) Weighted average no. of equity shares at beginning of the year	1,45,61,388	1,34,36,388
Add: Effective shares issued during the year	2,65,681	12,329
(C) Weighted average no. of equity shares o/s during the period	1,48,27,069	1,34,48,717
Basic earning price per share (Rs) (A/C)	92.74	32.58
Diluted earning price per share (Rs) (A/C)*	92.74	32.58

\*The Company has issued 7,03,399 (PY 14,58,250) 0.0001% Cumulative Compulsorily Convertible Preference Shares during the year. The same has been classified under Liabilities due to variable conversion terms and is not considered for the diluted EPS calculation (Please refer Note 12 for CCPS Conversion terms)

**Note- 30 Segment Information**

Disclosure under Indian Accounting Standard 108 – 'Operating Segments' is not given as, in the opinion of the management, the entire business activity falls under one segment, viz. investing and financial services. There are no operations outside India and hence there is no external revenue or assets which require disclosure. Also there are no revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Company's total revenue in the year ended 31 March 2024 or 31 March 2023

**Note- 31 Contingent Liabilities**

There are no contingent liabilities for the period ended 31st March 2024 and 31st March 2023

**Note- 32 Income tax expense**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<i>Current tax</i>		
Current tax on profits for the year	4,562.98	1,289.47
<b>Total Current tax expense</b>	<b>4,562.98</b>	<b>1,289.47</b>
<i>Deferred tax</i>		
Decrease / (increase) in deferred tax asset	(112.07)	184.03
(Decrease) / increase in deferred tax liabilities	-	-
<b>Total Deferred tax expense/(benefit)</b>	<b>(112.07)</b>	<b>184.03</b>
<b>Total Income tax expense</b>	<b>4,450.91</b>	<b>1,473.50</b>
<b>Income tax expense/(credit) is attributable to:</b>		
Profit from continuing Operations	4,450.91	1,473.50
Profit/(Loss) from discontinuing Operations	-	-
	<b>4,450.91</b>	<b>1,473.50</b>

**Reconciliation of tax expense and the accounting profit computed by applying the Income tax rate**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit / (Loss) before income tax expense	18,366.84	5,855.64
Profit / (Loss) from discontinuing Operations before income tax exp	-	-
	<b>18,366.84</b>	<b>5,855.64</b>
Tax at the Indian tax rate of 25.168% (FY 2022-23 : 25.168%)	4,622.57	1,473.75
<b>Add/(less) effect of :</b>		
Effect of expenses that are not deductible in determining taxable profit	545.48	14.15
Effect of Income that are deductible in determining taxable profit	(694.37)	(204.83)
Capital Gains Tax	89.30	6.40
Deferred Tax (Refer Note 16)	(112.07)	184.03
<b>Income tax expense</b>	<b>4,450.91</b>	<b>1,473.50</b>





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**Notes to Financial Statement for the year ended March 31, 2024**

**Note- 33 Employee benefits plan**

**Defined benefit plans**

**(A) Gratuity**

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service, managerial grade and salary at retirement age. The disclosures of employee benefits as defined in the Ind AS 19 "Employee Benefits" are given below :

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Defined benefit obligation as at the opening of the year	8.68	2.61
Current service cost	3.19	4.17
Interest on defined benefit obligation	0.63	0.19
Remeasurements due to:		
Actuarial loss/(gain) arising from change in financial assumptions	0.55	(0.19)
Actuarial loss/(gain) arising from change in demographic assumptions		
Actuarial loss/(gain) arising on account of experience changes	6.25	1.90
Benefits paid		
<b>Defined benefit obligation as at the end of the year</b>	<b>19.31</b>	<b>8.68</b>

**Movement in Plan Assets**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Fair value of plan asset as at the beginning of the year	-	-
Adjustment to opening Fair Value of Plan Asset	-	-
Employer contributions	-	-
Interest on plan assets	-	-
Remeasurements due to:		
Actual return on plan assets less interest on plan assets	-	-
Benefits paid	-	-
<b>Fair value of plan asset as at the end of the year</b>	<b>-</b>	<b>-</b>

**Reconciliation of net liability/asset**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Net defined benefit liability/(asset) as at the beginning of the year	8.68	2.61
Adjustment to opening balance		
Expense charged to Statement of Profit and Loss	3.82	4.36
Amount recognised in other comprehensive income	6.81	1.71
Contributions Paid		
<b>Net defined benefit liability/(asset) as at the end of the year</b>	<b>19.31</b>	<b>8.68</b>

**Expenses charged to the Statement of Profit and Loss**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current service Cost	3.19	4.17
Net Interest Cost	0.63	0.19
	<b>3.82</b>	<b>4.36</b>

**Remeasurement (gains)/losses in other comprehensive income**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening amount recognised in other comprehensive income	-	-
Changes in financial assumptions	0.55	(0.19)
Changes in demographic assumptions	-	-
Experience adjustments	6.25	1.90
Actual return on plan assets less interest on plan assets	-	-
Adjustment to recognise the effect of asset ceiling	-	-
Closing amount recognised outside profit or loss in other comprehensive income	6.81	1.71



**Alpha Alternatives Financial Services Private Limited**  
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**Notes to Financial Statement for the year ended March 31, 2024**

**Amount recognised in Balance Sheet**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Present value of funded defined benefit obligation	19.31	8.68
Fair value of plan assets	-	-
Net funded obligation	19.31	8.68
Amount not recognised due to asset limit	-	-
Net defined benefit liability/(assets) recognised in Balance Sheet	19.31	8.68

**Key actuarial assumptions**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Discount rate (p.a.)	7.00%	7.30%
Salary escalation rate (p.a.)	10.00%	10.00%

**Expected Payout:**

Year	For the year ended March 31, 2024	For the year ended March 31, 2023
	PVO Payout	PVO Payout
Expected Outgo First	1.10	0.46
Expected Outgo Second	1.15	0.48
Expected Outgo Third	1.21	0.51
Expected Outgo Fourth	1.27	0.53
Expected Outgo Fifth	1.34	0.56
Expected Outgo Sixth to Tenth Years	13.33	6.10

**Sensitivity analysis for significant assumptions is as shown below**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Impact of increase in 100 bps on discount rate	17.56	7.82
Impact of decrease in 100 bps on discount rate	21.36	9.69
Impact of increase in 100 bps on salary escalation rate	20.15	9.10
Impact of decrease in 100 bps on salary escalation rate	18.48	8.25
Impact of increase in 100 bps on withdrawal rate	19.62	8.75
Impact of decrease in 100 bps on withdrawal rate	18.93	8.58

**Valuation Results:**

The assumptions and methodology used in compiling this Report are consistent with the requirements of Ind AS 19  
The results are particularly sensitive to some assumptions, such as discount rate, salary inflation, level of assumed mortality  
The value of discontinuance liability (if all the accrued benefits were to be settled immediately on the valuation date) as at March 31, 2024 is Rs 40.57 lakhs



**Alpha Alternatives Financial Services Private Limited**  
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**Notes to Financial Statement for the year ended March 31, 2024**

**Note- 34 Employee Stock Option Plan (ESOP)**

The eligible employees of the Group have been granted stock options by Alpha Alternatives Holdings Private Limited (AAHPL), under the "ESOP Plan 2022 A" and "ESOP Plan 2022 B" hereinafter referred to as "Stock Options" individually and collectively.

Each Stock options entitles the holder thereof to apply for and be allotted Ordinary Shares of AAHPL of Rs 1.00 each upon payment of exercise price.

The cost of Stock Options granted under ESOP have been recognised as equity settled share based payments respectively in accordance with Ind AS 102 – Share Based Payment. In terms of the aforesaid arrangement, the Company accounts for the cost of the fair value of stock options granted to the eligible employees as employee benefits expense. The fair value of the stock options granted is determined, using the Black Scholes Option Pricing model, by AAHPL for all the Optionees covered under Stock Options Scheme as a whole.

The summary of movement of such options granted by AAHPL and status of the outstanding options is as under:

**ESOP Plan 2022 A**

Particulars	As on March 31, 2024 No of Options	As on March 31, 2023 No of Options
Outstanding at the beginning of the year	-	-
Add: Granted during the year	4,26,700	-
Less: Lapsed during the year	-	-
Add / (Less): Movement of employees to whom options are granted	-	-
Less: Exercised during the year	-	-
Outstanding at the end of the year	4,26,700	-
Options exercisable at the end of the year	-	-
Exercise Price	39	-

**ESOP Plan 2022 B**

Particulars	As on March 31, 2024 No of Options	As on March 31, 2023 No of Options
Outstanding at the beginning of the year	-	-
Add: Granted during the year	3,22,508	-
Less: Lapsed during the year	-	-
Add / (Less): Movement of employees to whom options are granted	-	-
Less: Exercised during the year	-	-
Outstanding at the end of the year	3,22,508	-
Options exercisable at the end of the year	-	-
Exercise Price	250.69	-

In accordance with Ind AS 102, the Company has recognised an amount of Rs 849.33 Lakhs (2023: Nil) towards Stock Options. Such charge has been recognised as employee benefits expense.





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Notes to Financial Statement for the year ended March 31, 2024

Note - 35 Related Parties Disclosure

35.1 Names of Related Parties & Nature of Relationship with whom the company has transactions during the year, as required by the Ind As 24 "Related Party Disclosures" and Companies Act, 2013.

Enterprises/Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise:

- Alpha Alternatives Holdings Private Limited
- Kothari Family Private Trust

Key Management Personnel

- Director - Mr. Shreyans Mehta
- Chief Financial Officer - Mr. Jay Paleja (w.e.f December 26, 2023)
- Company Secretary - Ms Rupali Maini

Other enterprises which are under common control

- Alpha Alternatives Fund Advisors LLP
- Ncube Ventures LLP
- Purple Clover Tree LLP
- Third Edge Advisors LLP

35.2 Transactions with Related Parties

(Amount in lakhs)

Name of Related Party and Nature of relationship	Nature of Transaction	FY 2023-24	FY 2022-23
		Transactional Value	Transactional Value
<b>A) Holding Company</b>			
Alpha Alternatives Holdings Private Limited	Business support charges paid	100.00	131.70
	Contribution to equity 9,38,612 shares of Rs 10 each at a premium of Rs. 784 each(PY 11,25,000 shares of Rs 10 each at a premium of Rs. 390 each)	7,452.58	4,500.00
	Issue of Non-Convertible Debentures	5,500.00	5,000.00
	Repayment of Non-Convertible Debentures	-	7,320.00
	Interest on Non-Convertible Debentures	638.36	329.35
	Share Based Payments	734.14	-
<b>B) Other enterprises which are under common control</b>			
Ncube Ventures LLP	Loans given	11,875.00	9,690.00
	Loans repaid	16,475.00	6,090.00
	Interest Received	257.03	307.96
	Issue of Market Linked Debentures	11,502.64	14,030.20
Third Edge Advisors LLP	Issue of Non-Convertible Debentures	-	300.00
	Repayment of Non-Convertible Debentures	-	300.00
	Interest on Non-Convertible Debentures	-	47.69
	Issue of Market Linked Debentures	-	507.40
Alpha Alternatives Fund Advisors LLP	Issue of Market Linked Debentures	3,000.74	-
Purple Clover Tree LLP	Purchase of NCDs	-	300.00



C) Key Management Personnel's				
Mr. Shreyans Mehta	Issue of Market Linked Debentures	43.66	-	
Mr. Shreyans Mehta	Finance Cost Payable	33.60	-	
Mr. Jay Paleja	Remuneration Paid	21.67	-	
Ms Rupali Maini	Remuneration Paid	12.00	3.50	
35.3 Balances as at the end of the year:				
Name of Related Party and Nature of relationship		Nature of Transaction	As at March 31, 2024	As at March 31, 2023
<b>A) Holding Company</b>				
Alpha Alternatives Holdings Private Limited		Issue of Non-Convertible Debentures	5,500.00	-
		Business Support Charges	100.00	
		Share Based Payments	734.14	
<b>B) Other enterprises which are under common control</b>				
Alpha Alternatives Fund Advisors LLP		Issue of Market Linked Debentures	-	2,725.80
Ncube Ventures LLP		Loans (Asset)	-	4,600.00
C) Key Management Personnel				
Director - Mr. Shreyans Mehta		Issue of Market Linked Debentures	147.76	-
Director - Mr. Shreyans Mehta		Finance Cost Payable	33.60	-
CFO - Mr. Jay Paleja		Remuneration	5.42	-
CS - Ms Rupali Maini		Remuneration	0.75	-
35.4 Maximum Balances outstanding during the year:				
Name of Related Party and Nature of relationship		Nature of Transaction	FY 2023-24	FY 2022-23
			Transactional Value	Transactional Value
<b>A) Holding Company</b>				
Alpha Alternatives Holdings Private Limited		Issue of Non-Convertible Debentures	5,500.00	7,320.00
		Business Support Charges	100.00	-
		Share Based Payments	734.14	-
<b>B) Other enterprises which are under common control</b>				
Alpha Alternatives Fund Advisors LLP		Issue of Market Linked Debentures	3,000.74	2,725.80
Third Edge Advisors LLP		Issue of Non-Convertible Debentures	-	300.00
		Issue of Market Linked Debentures	-	507.40
Ncube Ventures LLP		Loans (Asset)	6,500.00	4,990.00
		Issue of Market Linked Debentures	7,202.72	11,729.20
C) Key Management Personnel				
Director - Mr. Shreyans Mehta		Issue of Market Linked Debentures	147.76	-



**Alpha Alternatives Financial Services Private Limited**  
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**Notes to Financial Statement for the year ended March 31, 2024**

**Note - 36 'Fair Value Measurement**

**Financial Instrument by category and hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

**The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:**

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for eg. Market Linked Debentures) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(Amount in lakhs)

Financial Assets and Liabilities as at March 31, 2024	Carried at			Total	Fair Value Hierarchy			Total
	FVTOCI	FVTPL	Amortised Cost		Level 1	Level 2	Level 3	
<b>Financial Assets</b>								
Investments (quoted)	6,867.55	3,71,076.23	-	3,77,943.78	3,43,358.97	34,584.81	-	3,77,943.78
Investments (unquoted)	2,233.10	-	33,389.15	35,622.25	-	2,233.10	-	2,233.10
Derivative financial instruments	-	387.18	-	387.18	387.18	-	-	387.18
Cash and cash equivalents	-	-	4,261.15	4,261.15	-	-	-	-
Other financial assets	-	-	15,627.29	15,627.29	-	-	-	-
	<b>9,100.65</b>	<b>3,71,463.41</b>	<b>53,277.59</b>	<b>4,33,841.65</b>	<b>3,43,746.15</b>	<b>36,817.91</b>	<b>-</b>	<b>3,80,564.06</b>
<b>Financial Liabilities</b>								
Derivative financial instruments	-	-	-	-	-	-	-	-
Preference Share capital	-	-	10,432.99	10,432.99	-	-	-	-
Subordinated Liabilities	-	18,869.86	7,437.30	26,307.16	-	18,869.86	-	18,869.86
Debt Securities	-	3,43,466.18	-	3,43,466.18	-	3,43,466.18	-	3,43,466.18
Trade payables	-	-	116.72	116.72	-	-	-	-
Other financial liabilities	-	-	3,257.93	3,257.93	-	-	-	-
	<b>-</b>	<b>3,62,336.04</b>	<b>21,244.94</b>	<b>3,83,580.98</b>	<b>-</b>	<b>3,62,336.04</b>	<b>-</b>	<b>3,62,336.04</b>





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Notes to Financial Statement for the year ended March 31, 2024

Financial Assets and Liabilities as at March 31, 2023	Carried at			Total	Fair Value Hierarchy			Total
	FVTOCI	FVTPL	Amortised Cost		Level 1	Level 2	Level 3	
<b>Non-current financial assets</b>								
Investments (quoted)	3,271.57	1,06,593.88	48,805.86	1,58,671.31	1,09,865.45	-	-	1,09,865.45
Cash and cash equivalents	-	-	1,411.02	1,411.02	-	-	-	-
Loans	-	-	4,581.60	4,581.60	-	-	-	-
Other financial assets	-	-	745.84	745.84	-	-	-	-
	<b>3,271.57</b>	<b>1,06,593.88</b>	<b>55,544.32</b>	<b>1,65,409.77</b>	<b>1,09,865.45</b>	-	-	<b>1,09,865.45</b>
<b>Financial Liabilities</b>								
Derivative financial instruments	-	1,208.47	-	1,208.47	1,208.47	-	-	1,208.47
Preference Share capital	-	-	5,833.00	5,833.00	-	-	-	-
Subordinated Liabilities	-	-	-	-	-	-	-	-
Debt Securities	-	1,38,393.16	-	1,38,393.16	-	1,38,393.16	-	1,38,393.16
Trade payables	-	-	12.39	12.39	-	-	-	-
Other financial liabilities	-	-	1,004.02	1,004.02	-	-	-	-
	-	<b>1,39,601.63</b>	<b>6,849.41</b>	<b>1,46,451.04</b>	<b>1,208.47</b>	<b>1,38,393.16</b>	-	<b>1,39,601.63</b>



**Alpha Alternatives Financial Services Private Limited**  
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**Notes to Financial Statement for the year ended March 31, 2024**

**Note - 37 'Capital Management**

The Company maintains an actively managed capital base to cover risks inherent in the business, meeting the capital adequacy requirements of Reserve Bank of India (RBI), maintain strong credit rating and healthy capital ratios in order to support business and maximise shareholder value. The adequacy of the Company's capital is monitored by the Board using, among other measures, the regulations issued by RBI.

**The pillars of its policy are as follows:**

- i) Maintain diversity of sources of financing and spreading the maturity across tenure buckets in order to minimize liquidity risk.
- ii) Manage financial market risks arising from Interest rate, equity prices and minimise the impact of market volatility on earnings.
- iii) Leverage optimally in order to maximise shareholder returns while maintaining strength and flexibility of balance sheet.

This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment.

The Company has complied in full with the capital requirements prescribed by RBI over the reported period. Refer Note 38 for disclosure of capital adequacy as per applicable RBI regulations.

**Note - 38 Risk Management**

**The Company's activities expose it to market risk, liquidity risk and credit risk.**

Risk	Exposure arising from	Risk Management
(a) Credit risk	Loans and advances, Bonds, Debentures, CDs, Cash and Cash Equivalents, Other financial assets measured at amortized cost.	Credit worthiness of Borrower, Credit Rating, collateral/ security cover & review monitoring. Fixed deposits with highly rated banks
(b) Liquidity risk	Debt Securities and other liabilities	Asset Liability Management and periodic reviews by board/ committee relating to the liquidity position.
(c)(i) Market risk - security price risk	Investments in mutual funds, Investment in Equity, Derivative Positions, Quoted Debt Securities	Portfolio diversification, assessments of fluctuation in the equity price, Hedging, Active risk management across strategies
(c)(ii) Market risk - interest rate risk	Debt Securities at variable rates	Review of cost of funds, Review and monitoring of fixed income portfolio including Government securities, Reverse Repo, CDs etc for mark to market risks

The Company's Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has established a Risk management Committee which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

**a) Credit risk**

Credit risk is the risk that the Company will incur a loss because its counterparties fail to discharge their contractual obligations. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, loan assets and other financial assets. Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract.

**i) Credit risk management**

The Company considers probability of default upon initial recognition of asset and whether there has been any significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

**Definition of Default**

A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. Such financial assets are considered under Stage 3 (credit impaired) for the purpose of ECL calculation.

**ii) Provision for expected credit losses**

The Company provides for expected credit loss based on following:

- a) Low risk : Risk associated with financial assets classified under Stage 1 for the purpose of ECL calculation.
- b) Medium risk : Risk associated with financial assets classified under Stage 2 for the purpose of ECL calculation
- c) High risk : Risk associated with financial assets classified under Stage 3 for the purpose of ECL calculation



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**Notes to Financial Statement for the year ended March 31, 2024**

**Measurement of Expected Credit Losses**

The Company has applied a three-stage approach to measure expected credit losses (ECL) on debt instruments accounted for at amortised cost. Assets migrate through following three stages based on the changes in credit quality since initial recognition:

- (a) Stage 1: 12- months ECL: For exposures where there is no significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12-months is recognized.
- (b) Stage 2: Lifetime ECL, not credit-impaired: For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL is recognized.
- (c) Stage 3: Lifetime ECL, credit-impaired: Financial assets are assessed as credit impaired upon occurrence of one or more events that have a detrimental impact on the estimated future cash flows of that asset. For financial assets that have become credit-impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the amortised cost.

At each reporting date, the Company assesses whether there has been a significant increase in credit risk of its financial assets since initial recognition by comparing the risk of default occurring over the expected life of the asset. In determining whether credit risk has increased significantly since initial recognition, the Company uses information that is relevant and available without undue cost or effort. This includes the Company's internal credit rating grading system, external risk ratings and forward-looking information to assess deterioration in credit quality of a financial asset.

The Company measures the amount of ECL on a financial instrument in a way that reflects an unbiased and probability-weighted amount. The Company considers its historical loss experience and adjusts the same for current observable data. The key inputs into the measurement of ECL are the probability of default, loss given default and exposure at default.

**Probability of Default (PD)**

The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12-month PD), or over the remaining lifetime (Lifetime PD) of the obligation.

**Loss Given Default (LGD)**

LGD represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.

**Exposure at default (EAD)**

Exposure at default is the total value an entity is exposed to when a loan defaults. It is the predicted amount of exposure that an entity may be exposed to when a debtor defaults on a loan. The outstanding principal and outstanding arrears reported as of the reporting date for computation of ECL is used as the EAD for all the portfolios.

**b) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

**Maturity patterns of financial assets and liabilities**

**As at March 31, 2024**

Particulars	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years	Total
<b>Financial Assets</b>						
Non Current Investments	-	-	19,455.17	-	-	19,455.17
Current Investments	3,94,157.46	-	-	-	-	3,94,157.46
Cash & Cash Equivalents	4,261.15	-	-	-	-	4,261.15
Advances	15,627.29	-	-	-	-	15,627.29
	<b>4,14,045.90</b>	-	<b>19,455.17</b>	-	-	<b>4,33,501.07</b>
<b>Financial Liabilities</b>						
Derivative financial instruments	-	-	-	-	-	-
Debt Securities	-	-	1,60,210.65	1,83,255.53	-	3,43,466.18
Preference Share Capital	-	-	-	-	10,432.99	10,432.99
Subordinated Liabilities	-	-	-	-	26,307.16	26,307.16
Trade Payable	116.72	-	-	-	-	116.72
Other financial Liabilities	3,257.93	-	-	-	-	3,257.93
	<b>3,374.65</b>	-	<b>1,60,210.65</b>	<b>1,83,255.53</b>	<b>36,740.15</b>	<b>3,83,580.98</b>





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**Notes to Financial Statement for the year ended March 31, 2024**

**As at March 31, 2023**

Particulars	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years	Total
<b>Financial Assets</b>						
Non Current Investments	-	-	3,813.83	3,271.57	-	7,085.40
Current Investments	1,51,585.91	-	-	-	-	1,51,585.91
Cash & Cash Equivalents	1,411.02	-	-	-	-	1,411.02
Advances	745.84	-	4,581.60	-	-	5,327.44
	<b>1,53,742.77</b>	-	<b>8,395.43</b>	<b>3,271.57</b>	-	<b>1,65,409.77</b>
<b>Financial Liabilities</b>						
Derivative financial instruments	1,208.47	-	-	-	-	1,208.47
Debt Securities	-	-	-	1,38,393.16	-	1,38,393.16
Preference Share Capital	-	-	-	-	5,833.00	5,833.00
Subordinated Liabilities	-	-	-	-	-	-
Trade Payable	12.39	-	-	-	-	12.39
Other financial Liabilities	1,004.02	-	-	-	-	1,004.02
	<b>2,224.88</b>	-	-	<b>1,38,393.16</b>	<b>5,833.00</b>	<b>1,46,451.04</b>

**c. Market risk**

Market risk is the risk that changes in market prices, foreign exchange rates, interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**i) Price risk**

The Company's investments carry a risk of change in prices. To manage its price risk arising from investments, the Company periodically monitors the performance of the investee companies, assess special situations and corporate actions related to investee companies, measures mark- to- market gains/losses of all financial instruments and reviews the same

**ii) Interest rate risk**

The Company's main interest rate risk arises from debt securities with variable rates, which expose the Company to cash flow interest rate risk. However, the variable interest rate/ coupon is linked to the performance of underlying investment strategy.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company also has interest rate risk due to investment in fixed income securities like government securities, CDs etc. To manage its risk, the company has established risk management framework and monitors and reviews all the financial instruments accordingly.

**iii) Currency risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company is not exposed to currency risk as at March 31, 2024.

**Note 39 Analytical Ratios**

Ratios Applicable	Formula	March 31, 2024	March 31, 2023
Capital to risk-weighted assets ratio (CRAR)	(Tier I Capital + Tier 2 Capital)/ Risk Weighted Assets	18.05%	21.32%
Tier I CRAR	Tier I Capital / Risk Weighted Assets	12.20%	21.32%
Tier II CRAR	Tier II Capital / Risk Weighted Assets	5.85%	-
Liquidity Coverage Ratio	High Quality Liquid Assets/ Net cash outflow for 30 days	Not applicable as per Master Direction – Reserve Bank of India (NBFC- Scale Based Regulation) Directions, 2023 - Annex XXI	Not applicable as per RBI circular RBI/DNBR/2016-17/45 Master Direction DNBR.PD.008/03.10.119/2016-17-Annex III





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<b>(5) Break-up of Investments</b>									
<b>Current Investments</b>									
1. <u>Quoted</u>									
(i) Shares									
(a) Equity						25,890.19	2,994.99		
(b) Preference						-	-		
(ii) Debentures and Bonds						34,584.81	2,080.64		
(iii) Units of mutual funds						16,742.44	29,809.91		
(iv) Government Securities						2,93,858.79	71,708.34		
(v) Other						-	44,992.03		
2. <u>Unquoted</u>									
(i) Shares									
(a) Equity						-	-		
(b) Preference						-	-		
(ii) Debentures and Bonds						10,354.52	-		
(iii) Units of mutual funds						-	-		
(iv) Government Securities						-	-		
(v) Others (please specify)						23,081.23	-		
<b>Long Term investments</b>									
1. <u>Quoted</u>									
(i) Share									
(a) Equity						9,100.65	3,271.57		
(b) Preference						-	-		
(ii) Debentures and Bonds						-	-		
(iii) Units of mutual funds						-	-		
(iv) Government Securities						-	-		
(v) Others (please specify)						-	-		
2. <u>Unquoted</u>									
(i) Shares									
(a) Equity						-	-		
(b) Preference						-	-		
(ii) Debentures and Bonds						-	3,813.83		
(iii) Units of mutual funds						-	-		
(iv) Government Securities						-	-		
(v) Others (please specify)						-	-		
<b>(6) Borrower group-wise classification of assets financed as in (3) and (4) above :</b>				<b>As at March 31, 2024</b>			<b>As at March 31, 2023</b>		
<b>Category</b>				<b>Amount net of provisions</b>			<b>Amount net of provisions</b>		
				<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
1. <b>Related Parties</b>									
(a) Subsidiaries				-	-	-	-	-	-
(b) Same group Companies				-	-	-	-	-	-
(c) Other related parties				-	-	-	-	4,600.00	4,600.00
2. Other than related parties				-	-	-	-	-	-
				-	-	-	-	4,600.00	4,600.00
<b>(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :</b>				<b>As at March 31, 2024</b>			<b>As at March 31, 2023</b>		
<b>Category</b>				<b>Market Value</b>	<b>Book Value (Net of Provisions)</b>		<b>Market Value</b>	<b>Book Value (Net of Provisions)</b>	
1. Related Parties									
(a) Subsidiaries				-	-	-	-	-	
(b) Same group Companies				-	-	-	-	-	
(c) Other related parties				-	-	-	-	-	
2. Other than related parties				4,13,612.63		4,04,249.98	1,58,671.31	1,58,366.92	
				<b>4,13,612.63</b>		<b>4,04,249.98</b>	<b>1,58,671.31</b>	<b>1,58,366.92</b>	





<b>Alpha Alternatives Financial Services Private Limited</b> (formerly known as "Provincial Finance And Leasing Co Private Limited")		
<b>(8) Other information</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
<b>Particulars</b>	<b>Amount</b>	<b>Amount</b>
(i) Gross Non-Performing Assets	-	-
(a) Related parties	-	-
(b) Other than related parties	-	-
(ii) Net Non-Performing Assets	-	-
(a) Related parties	-	-
(b) Other than related parties	-	-
(iii) Assets acquired in satisfaction of debt	-	-
<b>Capital</b>		
<b>Particulars</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
i) CRAR (%)	18.05%	21.32%
ii) CRAR - Tier I Capital (%)	12.20%	21.32%
iii) CRAR - Tier II Capital (%)	5.85%	-
iv) Amount of subordinated debt raised as Tier-II capital	24,070.50	300.00
v) Amount raised by issue of Perpetual Debt Instruments	-	-
<b>Investments</b>		
	<b>March 31, 2024</b>	<b>March 31, 2023</b>
(1) Value of Investments		
(i) Gross Value of Investments	4,13,612.63	1,58,671.31
(a) In India	4,13,612.63	1,58,671.31
(b) Outside India,	-	-
(ii) Provisions for Depreciation		
(a) In India	-	-
(b) Outside India,	-	-
(iii) Net Value of Investments	4,13,612.63	1,58,671.31
(a) In India	4,13,612.63	1,58,671.31
(b) Outside India.	-	-
(2) Movement of provisions held towards depreciation on investments.		
(i) Opening balance	-	-
(ii) Add : Provisions made during the year	-	-
(iii) Add : On account of merger	-	-
(iv) Less : Write-off / write-back of excess provisions during the	-	-
(v) Closing balance	-	-
<b>Derivatives</b>		
i) There were no Forward Rate Agreements/Interest Rate Swaps entered into by the company during the current & previous year.		
ii) There were no Exchange Traded Interest Rate (IR) Derivatives entered into by the company during the current & previous year.		
<b>Securitisation</b>		
i) There were no SPV sponsored by NBFC for securitisation transactions during the current and previous year.		
ii) There were no transactions carried out for sale of financial assets to securitisation/reconstruction company for asset reconstruction during the current and previous year		
iii) There were no assignment transactions undertaken by NBFC for current or previous year.		
iv) There are no overseas assets (joint ventures or subsidiaries) abroad		
v) Transactions for Non-performing financial assets purchased/sold during the current and previous years.		
<b>Purchase/Sale of Non-performing financial Assets</b>		
<b>Particulars</b>	<b>Amount</b>	
No of Accounts purchased /sold	-	
Aggregate outstanding	-	
Aggregate consideration received	-	



Alpha Alternatives Financial Services Private Limited (formerly known as "Provincial Finance And Leasing Co Private Limited")		
<b>Exposures</b>		
<b>i) Real estate exposures undertaken by the company are as under</b>		
Category	March 31, 2024	March 31, 2023
a) <b>Direct Exposure</b>		
(i) <b>Residential Mortgages -</b> Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	-
(ii) <b>Commercial Real Estate -</b> Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.)	-	-
(iii) <b>Investments in Mortgage Backed Securities (MBS) and other securitised exposures -</b> i. Residential ii. Commercial real estate	- -	- -
b) <b>Indirect Exposure</b>		
(i) Fund based and non-fund-based exposures on National Housing Bank and Housing Finance	23.72	-
<b>Total Exposure to Real Estate Sector</b>	<b>23.72</b>	<b>-</b>
<b>ii) Capital Markets exposures undertaken by the company are as under</b>		
Particulars	March 31, 2024	March 31, 2023
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt; (includes IPO pending allotment Rs 14534.64 lakhs)	49,525.48	6,266.56
(ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares or convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances;	-	-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	1,092.65	745.84
(vi) Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) Bridge loans to companies against expected equity flows/issues;	-	-
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	-	-
<b>iii) Sectoral exposure</b>		
The Company does not have any Sectoral exposure (including off balance sheet items), in the nature of loans as at March 31, 2024 and March 31, 2023		
<b>iv) Intra Group exposure</b>		
The Company does not have any Intra Group exposure		
<b>v) Unhedged Foreign Currency exposure</b>		
The Company does not have any Unhedged foreign currency exposure		
<b>(vi) Details of Single Borrower Limits (SGL) / Group Borrower Limits (GBL)</b>		
The NBFC has not exceeded the prescribed limits as per the RBI/2021-22/112 DOR.CRE.REC.No.60/03.10.001/2021-22.		



Alpha Alternatives Financial Services Private Limited (formerly known as "Provincial Finance And Leasing Co Private Limited")							
<b>(vii) Maturity pattern of Assets &amp; Liabilities</b>							
Sl.	Particulars	Deposits	Advances	Investments	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
1	1 to 7 days	760.22	15,627.29	3,16,940.02	-	-	-
2	8 to 14 days	-	-	-	-	-	-
3	15 to 30/31 days	-	-	77,217.44	-	-	-
4	Over 1 month upto 2 months	-	-	-	-	-	-
5	Over 2 months upto 3 months	-	-	-	-	-	-
6	Over 3 months upto 6 months	-	-	-	-	-	-
7	Over 6 months upto 1 Year	-	-	-	-	-	-
8	Over 1 Year upto 2 Years	-	-	19,455.17	1,60,210.65	-	-
9	Over 2 Years upto 5 Years	-	-	-	1,83,255.53	-	-
10	Over 5 Years	-	-	-	36,740.15	-	-
	<b>Total</b>	<b>760.22</b>	<b>15,627.29</b>	<b>4,13,612.63</b>	<b>3,80,206.33</b>	-	-
<b>Miscellaneous</b>							
<b>i) Details of penalties and strictures</b>							
There are no penalties or strictures imposed on the Company by Reserve Bank of India or any other Statutory Authority							
<b>(ii) Related Party Disclosure</b>							
All material transactions with related party are covered in Note 34							
<b>iii) Rating assigned by Credit Rating Agencies</b>							
Instrument	Rating Agency	Rating as on March 31, 2024	Rating as on March 31, 2023				
Market Linked Debentures	Acuite Ratings and Research Limited	BBB-	BB+				
Market Linked Debentures	Care Ratings Limited	BBB	-				
Subordinated Debt	Acuite Ratings and Research Limited	BBB-	-				
<b>(iv) Remuneration to Directors</b>							
No remuneration has been paid to Non executive Directors of the company							
<b>Additional Disclosures</b>							
<b>i) Provisions and Contingencies</b>							
Break-up of 'Provisions and Contingencies' shown under the head Expenditure in Profit & Loss Account	March 31, 2024	March 31, 2023					
Provisions for depreciation on Investment	-	-					
Provision towards NPA	-	-					
Provision made towards Income Tax	4,616.04	1,473.50					
Other Provision and Contingencies	-	-					
Provision for Standard Assets	28.20	0.40					
<b>ii) Disclosure of Complaints</b>							
There are no complaints received by the NBFC for FY 23-24							
<b>iii) Concentration of Deposits, Advances, Exposures and NPAs</b>							
<b>a) Concentration of Deposits:</b> Not Applicable							
<b>b) Concentration of Advances</b>							
Particulars	Amount						
Total Advances to ten largest borrowers	-						
Percentage of Advances to ten largest borrowers to Total Advances of the NBFC	-						





Alpha Alternatives Financial Services Private Limited (formerly known as "Provincial Finance And Leasing Co Private Limited")	
<b>c) Concentration of Exposure</b>	
<b>Particulars</b>	<b>Amount</b>
Total exposure to ten largest borrowers	-
Percentage of exposure to ten largest borrowers to Total exposures of the NBFC	-
<b>Disclosure on liquidity risk</b>	
As required in terms of paragraph 3 of RBI Circular RBJ/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20	
<b>i) Funding Concentration based on significant counterparty (both deposits and borrowings)</b>	
<b>Particulars</b>	<b>March 31, 2024</b>
Number of significant counterparties*	20.00
Amount of borrowings from significant counterparties	2,02,041.50
% of Total deposits	NA
% of Total liabilities**	51.71%
* "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI'	
**"Total liabilities "refers to the aggregate of financial liabilities and non-financial liabilities.	
<b>ii) Top 20 large deposits</b>	
The Company being a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India does not accept public deposits.	
<b>iii) Top 10 Borrowings</b>	
<b>Particulars</b>	<b>March 31, 2024</b>
Amount of Borrowings from top 10 lenders	1,62,249.60
% of Total Borrowings	50.89%
<b>iv) Funding Concentration based on significant instrument/product</b>	
<b>Particulars</b>	<b>March 31, 2024</b>
<b>Debentures</b>	
Non Convertible Debentures (Market Linked Debentures)	2,94,777.70
Non Convertible Debentures (Subordinated Debt)	24,070.50
<b>v) Stock Ratios: Not Applicable</b>	
<b>vi) Institutional set up for liquidity risk management</b>	
The Board of Directors of the Company has constituted the Asset Liability Management Committee and the Risk Management Committee.	
The Asset Liability Management Committee, monitors inter alia	
<ol style="list-style-type: none"> <li>Liquidity position of the company;</li> <li>Approve major decisions affecting Company's risk profile or exposure (product pricing, desired maturity profile and mix of the incremental assets and liabilities, prevailing interest rates offered by other peer NBFCs for the similar services/product, etc.);</li> <li>Consider any Credit rating updates for the company</li> <li>Consider borrowings and future funding plans of the company</li> <li>Consider Statement of short-term dynamic liquidity to be filed to RBI</li> <li>Ensure compliance of LRM Framework</li> <li>Review Stress Testing reports of the Company and ensure compliance with settled risk appetite</li> <li>Review the results of and progress in implementation of the decisions in its previous meetings</li> <li>Articulate the current interest rate review and formulate future business strategy on this view</li> <li>Decide in consonance with the credit department on source and mix of liabilities or sale of assets for giving out loans Towards this end, it shall develop a view on future direction of interest rate movements and decide on funding mixes between fixed versus floating rate funds, money market versus capital market funding, etc</li> <li>The proportion of the long-term and short term resources (i.e. in connection with the resources planning policy) for Company shall be fixed from time to time based on business plans for each year</li> <li>Frame a policy in the name of the LRM Policy, including Asset Liability Management</li> </ol>	



**Alpha Alternatives Financial Services Private Limited**  
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The Risk Management Committee monitors, inter alia,

- a. To lay down procedures regarding managing and mitigating the risk through Integrated Risk Management Systems, Strategies and Mechanisms
- b. To deal with issues relating to credit policies and procedure and manage the credit risk, operational risk, management of policies and
- c. Identifying, measuring and monitoring the various risk faced by the Company, assist in developing the Policies and verifying the Models that are used for risk measurement from time to time
- d. To monitor the progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the NBFC
- e. Promoting an enterprise risk management competence throughout the organisation, including facilitating development of IT-related enterprise risk management expertise
- f. Establishing a common risk management language that includes measures around likelihood and impact and risk categories
- g. To evaluate and oversee the liquidity risk of the Company
- h. To ensure that appropriate methodology, processes and systems are in place to identify, monitor, control, mitigate and evaluate risks associated with the business of the Company and functioning of the Comp
- i. To have oversight over implementation of risk Management Policy, including evaluating the adequacy of risk management systems and other policies including Anti Money Laundering and KYC (Know your Customer)
- j. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity
- k. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken
- l. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee
- m. To institute effective governance mechanism and risk management process for all outsourced operations/activities
- n. To review and approve the activities pertaining to the Outsourcing activities as required under RBI regulations including review of financial and operational condition of the service provider to assess its ability to meet its obligations on an annual basis



**Alpha Alternatives Financial Services Private Limited**  
(formerly known as "Provincial Finance And Leasing Co Private Limited")

**Notes to Financial Statement for the year ended March 31, 2024**

**Note 40**

There are no transactions / Balances / Investment with Strike off companies. Also no equity shares of the company are held by strike off companies.

**Note 41**

Previous period figures have been restated for prior period adjustments and regrouped / reclassified wherever necessary , to make them comparable with current period figures.

**The accompanying notes attached form an integral part of these Financial Statements**

**For NDAA & Associates LLP**

Chartered Accountants

Firm's Registration No.: 129486W/ W100775

  
**Niraj Adatia**

Partner

Membership No. : 120844

Mumbai

Date: 30 May 2024



**For and on behalf of the Board of Directors of**

**Alpha Alternatives Financial Services Private Limited**



**Naresh Kothari**

Director

DIN : 00012523

Mumbai



**Jay Paleja**

Chief Financial Officer

Mumbai



**Shreyans Mehta**

Director

DIN : 06756771

Mumbai



**Rupali Maini**

Company Secretary

Membership No : A64083

Mumbai

