

## **Independent Auditor's Report**

To The Members of,  
**Provincial Finance and Leasing Company Private Limited**

### **Report on the Standalone Financial Statements**

We have audited the accompanying financial statements of **Provincial Finance and Leasing Company Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is 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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls





system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### **Opinion**

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, and its profit/loss for the period 01st April, 2019 to 31st March, 2020.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order 2016 ("the said Order"), issued by the Central Government of India, in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraphs 3 and 4 of the said Order.
2. As required by Section 143(3) of the Act, we report that:
  - (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 and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) As required by section 143(3) (i) of the Act and the subsequent notification dated 13th June, 2017, we report that:

The company is a private limited company

- i. Having turnover of less than Rupees 50 crore for the year ended 31<sup>st</sup> March, 2019; and
- ii. Borrowing of the company from the Banks, Financial Institutions or any other body corporate at any point during the financial year 2019-20 was less than Rupees 25 crore.

Hence reporting on the adequacy and the operating effectiveness of internal financial controls is exempted.

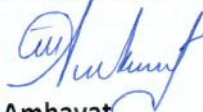
(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.

**For Ambavat Jain & Associates LLP**

Chartered Accountants

Firm's Registration No.: 109681W



**Atul Ambavat**

Partner

Membership No. 113731

Place: Mumbai

Date: August 05, 2020

UDIN:- 20113731AAAIG3440





**ANNEXURE TO THE AUDITORS' REPORT**

(Annexure referred to in paragraph 1 under the heading of "report on other Legal and Regulatory Requirements" of our report of even date to the members of Provincial Finance and Leasing Company Private Limited on the accounts for the year ended 31<sup>st</sup> March 2020)

- (i) The Company has no Fixed Assets accordingly paragraph 3(i) of the Order is not applicable.
- (ii) According to information and explanation given to us, the Company is engaged in providing financial services i.e. it is Loan company. Accordingly, it does not hold any physical inventories. Accordingly, paragraph 3(ii) of order is not applicable.
- (iii) (a) The Company has granted loans to a party covered in the register maintained under section 189 of the Act. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the Company's interest.
- (b) The Company has granted loans to a party covered in the register maintained under section 189 of the Act. The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment/receipts are regular.
- (c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Act which are overdue for more than ninety days.
- (iv) According to the information and explanations given to us and based on the audit procedures conducted by us, the provisions of section 185 are not applicable to the Company. The Company has complied with the provisions of section 186 of the Act to the extent applicable.
- (v) The Company has not accepted any deposits from the public during the year.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company
- (vii) In respect of statutory dues:
- a) According to the books of account and records as produced and examined by us, in accordance with the accepted auditing practices and also management representations, in our opinion, the company is generally regular in depositing undisputed statutory dues in respect of provident fund, investor education and protection fund, employees' state insurance, income tax, goods and service tax, sales tax, wealth tax, service tax, custom duty, excise duty, value added tax, cess and other material statutory dues as applicable with the appropriate authorities in India.
- b) According to information and explanation given to us, no undisputed amounts payable in respect of income tax, goods and service tax, sales tax, wealth tax, custom duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.



- (viii) The Company does not have any loans and borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3 (viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) During the course of our examination of the books and records of the company carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any fraud by the company by its officers or employees noticed or reported during the year nor have we been informed of such case by management.
- (xi) The Company, being a Private limited company, does not attract the provisions of Section 197 of the Act. Accordingly, paragraph 3(xi) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) The Company, being a Private limited company, does not attract the provisions of Section 177 of the Act. Further company has not transacted any business covered u/s 188 of Companies act 2013.
- (xiv) According to the information and explanations given to us and based on our examination of the records, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non- cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of order is not applicable.
- (xvi) According to the information and explanations given to us, the Company has registered as required, under Section 45-IA of the Reserve Bank of India Act, 1934.

**For Ambavat Jain & Associates LLP**

Chartered Accountants

Firm's Registration No: 109681W



**Atul Ambavat**

Partner

Membership No. 113731

Place: Mumbai

Date: August 05, 2020

UDIN: 20113731AAAIG3440



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**1. SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2020 AND THE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON THAT DATE:**

a) **Basis of Preparation of Financial Statements:-**

The financial statements have been prepared to comply in all material respects with the Accounting Standards ('AS') notified under Section 133 of the Companies Act, 2013 (the 'Act') read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India (GAAP) and as per the guidelines issued by Reserve Bank of India ('RBI') as applicable to a Non-Banking Financial (Non-deposit accepting or holding) Companies ('NBFC Regulation'). The financial statements have been prepared on an accrual basis and under the historical cost convention. The notified Accounting Standards (AS) are followed by the Company in so far as they are not inconsistent with the NBFC Regulation. The accounting policies adopted in the preparation of financial statements are consistent with those of the previous year.

b) **Revenue Recognition:-**

Revenues and expenses are accounted on accrual basis. Revenue is recognized when no significant uncertainties exist in relation to the amount of eventual receipt.

**Interest income:**

Interest income from loans is accounted based on applying interest rate implicit in the contract. In case of non-performing assets interest income is recognized on receipt basis as per NBFC prudential norms.

Interest income on all other assets is recognized on time proportion basis.

**Dividend income:**

Dividend income is recognized when the shareholders' right to receive payment is established by the balance sheet date. Dividend from the units of mutual funds is recognized on receipt basis in accordance with the NBFC Regulation.

Gains and losses on dealing with securities are recognized on trade date.

**Profit/Loss on sale of investments:**

Profit/loss earned on sale of investments is recognized on trade date basis. Profit or loss on sale of investments is determined on the basis of the weighted average cost method. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

c) **Use of Estimate:-**

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Differences between actual results and estimates are recognised in the periods in which the results are known / materialize.

d) **Loans:-**

Loans are stated at the amount advanced, as reduced by the amounts received up to the balance sheet date and loans assigned.

e) **Fixed Assets:-**

Fixed assets are stated at cost of acquisition/construction, and include other direct / indirect and incidental expenses incurred to put them into use. However, the company does not own any fixed assets in the current year.





f) Depreciation/ Amortization:-

Depreciation is provided on Written down Value basis as per the useful life prescribed in Schedule II of the Companies Act, 2013. Depreciation on additions/ deletions is calculated pro-rata from/up to the month of additions/ deletions. However, the company does not own any fixed assets in the current year and consequently there is no depreciation on the same.

g) Investments:-

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

Current investments are carried in the financial statements at fair value determined on an individual investment basis. Unquoted investments in units of mutual funds are stated at net asset value.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss."

The company does not have any investments in the current year.

h) Retirement Benefits:-

Accrued liability on account of Gratuity up to 31st March, 2020 has not been ascertained and will be accounted for on cash basis.

i) Borrowing costs:-

Borrowing costs consists of interest and other ancillary cost that an entity incurs in connection with borrowing of funds. Ancillary costs incurred in connection with the arrangement of borrowings are amortised over the tenor of borrowings.

j) Taxation:-

Provision for tax is made for both current and deferred taxes. Current tax is provided on the taxable income using the applicable tax rates and tax laws. Deferred tax assets and liabilities arising on account of timing differences, which are capable of reversal in subsequent periods are recognized using tax rates and tax laws, which have been enacted or substantively enacted.

k) Provisioning/Write-off on assets

**Provisioning/Write-off on overdue assets:-**

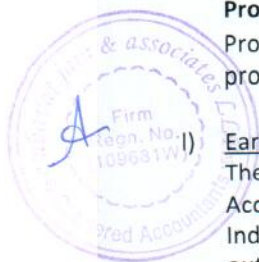
The provisioning/write-off on overdue assets is as per the management estimates, subject to the minimum provision required as per Non-Banking Financial Companies Prudential Norms. The Company accounts for provision for doubtful assets after taking into account the time lag between an accounts becoming overdue, its recognition as such and realisation of available security. The Company classifies non-performing assets which are overdue for six months or more.

**Provision on standard assets:-**

Provision on standard assets at 0.25% as prescribed by Reserve Bank of India ('RBI') guidelines is provided.

**Earnings per Share:-**

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax as per Accounting Standard 20 on "Earning Per Share", issued by the institute of Chartered Accountants of India. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the Period. The diluted EPS is calculated on the same basis as the basic EPS, after adjusting for the effects of potential dilutive equity shares unless the effect of the potential dilutive equity shares is anti-dilutive.





m) Impairment of Assets:-

The company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any indication exists, the company estimates the recoverable amount of the assets. If such recoverable amount of the asset or the recoverable amount of the cash generating asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the profit and loss account. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

n) Foreign Currency Transactions:-

(i) Initial Recognition Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(iii) Exchange Differences Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

o) Provisions:-

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

p) Prior Period Adjustments:-

Income/expenses on prior period are booked to natural heads and the amounts are disclosed.

q) Contingent Liabilities:-

The Company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or present obligation that probably will not require an outflow of resources or where reliable estimate of the amount of the obligation cannot be made.

r) Cash and Cash Equivalents:-

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash in hand and cash at bank including fixed deposit with original maturity period of three months and short-term highly liquid investments with an original maturity of three months or less.



PROVINCIAL FINANCE AND LEASING COMPANY PRIVATE LIMITED  
BALANCE SHEET AS AT 31ST MARCH 2020

Currency : INR

Particulars	Note	As at 31st March, 2020	As at 31st March, 2019
<b>EQUITY AND LIABILITIES</b>			
<b>I. Shareholders' funds</b>			
a. Share capital	2	3,13,63,880	1,56,81,940
b. Reserves and surplus	3	1,01,97,150	45,39,851
<b>II. Non-Current Liabilities</b>			
a. Long Term Provisions	4	70,350	50,819
<b>III. Current liabilities</b>			
a. Other Current Liabilities	5	13,91,866	83,900
<b>TOTAL</b>		<b>4,30,23,246</b>	<b>2,03,56,510</b>
<b>ASSETS</b>			
<b>I. Loans</b>			
a. Current Loans	6	2,81,40,000	2,00,90,000
<b>I. Current assets</b>			
a. Cash and cash equivalents	7	1,46,43,285	71,831
b. Short-term loans and advances	8	1,94,149	29,969
c. Other current assets	9	45,812	1,64,710
<b>TOTAL</b>		<b>4,30,23,246</b>	<b>2,03,56,510</b>
Summary of Significant Accounting Policies	1		

The Notes to accounts referred to above form an integral part of Balance Sheet  
This is the Balance Sheet referred to in our report of even date.

For Ambavat Jain & Associates LLP  
Chartered Accountants

Firm's Registration No.: 109681W

Atul Ambavat

Partner

Membership No. : 113731

Mumbai: 05th August, 2020

UDIN: 20113731AAAIG3440

For and on behalf of the Board of Directors of  
Provincial Finance and Leasing Company Pvt. Ltd.

Naresh Kothari

Director

DIN : 00012523

Mumbai: 05th August, 2020

Shreyans Mehta

Director

DIN : 06756771

Mumbai: 05th August, 2020



PROVINCIAL FINANCE AND LEASING COMPANY PRIVATE LIMITED  
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020

Currency : INR

Particulars	Note No.	For the year ended on 31st March, 2020	For the year ended on 31st March, 2019
I. Revenue from operations	10	5,12,37,02,333	1,83,787
II. Other income	11	1,698	-
III. Total Revenue		5,12,37,04,031	1,83,787
IV. Expenses:			
(a) Purchases	12	5,12,04,75,291	-
(b) Employee Benefit Expenses	13	9,10,905	-
(c) Other expenses	14	19,41,277	2,02,136
Total expenses		5,12,33,27,473	2,02,136
V. Profit before tax (III - IV)		3,76,558	(18,349)
VI. Tax expense:			
(a) Current tax		1,76,574	-
(b) Deferred tax		-	-
VII. Profit (Loss) for the period (V - VI)		1,99,984	(18,349)
VIII. Earnings per equity share:	15		
(a) Basic		0.10	(0.01)
(b) Diluted		0.10	(0.01)

The Notes to accounts referred to above form an integral part of Statement of Profit and Loss  
This is the Profit and Loss Account referred to in our report of even date.

For Ambavat Jain & Associates LLP  
Chartered Accountants  
Firm's Registration No.: 109681W

*Atul Ambavat*  
Atul Ambavat  
Partner

Membership No. : 113731  
Mumbai: 05th August, 2020  
UDIN: 20113731AAAIG3440



For and on behalf of the Board of Directors of  
Provincial Finance and Leasing Company Pvt. Ltd.

*Naresh Kothari*  
Naresh Kothari  
Director

DIN : 00012523  
Mumbai: 05th August, 2020



*Shreyans Mehta*  
Shreyans Mehta  
Director  
DIN : 06756771  
Mumbai: 05th August, 2020

PROVINCIAL FINANCE AND LEASING COMPANY PRIVATE LIMITED  
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

Currency : INR

Particulars		Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>A</b>	<b>Cash flow from operating activities</b>		
	Net Profit / (Loss) before taxation	3,76,558	(18,349)
	<u>Adjustments for</u>		
	Depreciation	-	-
	Additional Provision for Standard Asset	19,531	-
	Operating cash flow before working capital changes	3,96,089	(18,349)
	<u>Adjustments for</u>		
	(Increase) / Decrease in Current Assets	(45,282)	80,477
	Increase / (Decrease) in Current Liabilities	13,07,966	(3,54,101)
	<b>Cash generated from Operations</b>	<b>16,58,773</b>	<b>(2,91,973)</b>
	Direct taxes paid	(1,76,574)	(18,302)
	<b>Net Cash from operating activities</b>	<b>14,82,199</b>	<b>(3,10,275)</b>
	Loans Disbursed (Net)	(80,50,000)	(2,00,90,000)
	<b>Net Cash used in operating activities</b>	<b>(65,67,801)</b>	<b>(2,04,00,275)</b>
	<b>Cash flow from investing activities</b>		
	Sale of Investment	-	1,03,45,000
	<b>Net Cash generated from investing activities</b>	<b>-</b>	<b>1,03,45,000</b>
<b>B</b>	<b>Cash flow from financing activities</b>		
	Share Capital issued	1,56,81,940	-
	Premium on shares issued	54,57,315	-
	<b>Net Cash generated from financing activities</b>	<b>2,11,39,255</b>	<b>-</b>
	<b>Net increase in cash and cash equivalents</b>	<b>1,45,71,454</b>	<b>(1,00,55,275)</b>
	Cash and cash equivalent as at the beginning of the period	71,831	1,01,27,106
	Cash and cash equivalent as at the end of the period	1,46,43,285	71,831

Notes:

- Cash and cash equivalents comprise of cash on hand and balances with bank in current accounts
- This is the cashflow statement referred to in our report of even date.

For Ambavat Jain & Associates LLP

Chartered Accountants

Firm's Registration No.: 109681W

Atul Ambavat

Partner

Membership No. : 113731

Mumbai: 05th August, 2020

UDIN: 20113731AAAIG3440

For and on behalf of the Board of Directors of

Provincial Finance and Leasing Company Pvt. Ltd.

Naresh Kothari

Director

DIN : 00012523

Mumbai: 05th August, 2020

Shreyans Mehta

Director

DIN : 06756771

Mumbai: 05th August, 2020



**PROVINCIAL FINANCE AND LEASING COMPANY PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENT**

<b>NOTE 2: SHARE CAPITAL</b>	<b>As at 31.03.20</b>	<b>As at 31.03.19</b>
<b>Authorised Capital</b>		
50,00,000 Equity Shares of Rs. 10 each (Previous year 20,50,000 Shares of Rs. 10 each)	5,00,00,000	2,05,00,000
	5,00,00,000	2,05,00,000
<b>Issued, Subscribed and Paid up Capital</b>		
3136388 Equity Shares of Rs. 10 each (Previous Year 15,68,194 Shares of Rs.10 each, fully paid up)	3,13,63,880	1,56,81,940
	<b>3,13,63,880</b>	<b>1,56,81,940</b>

**a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year**

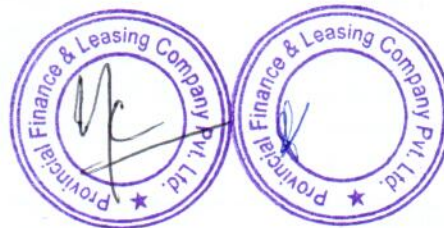
<b>Equity Shares</b>	<b>As at 31.03.20</b>		<b>As at 31.03.19</b>	
	<b>Number</b>	<b>Rs.</b>	<b>Number</b>	<b>Rs.</b>
Shares outstanding at the beginning of the year	15,68,194	1,56,81,940	15,68,194	1,56,81,940
Shares Issued during the year	15,68,194	1,56,81,940	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	31,36,388	3,13,63,880	15,68,194	1,56,81,940

**b) Terms / Rights 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% Equity Shares in the company**

<b>Name of Shareholder(s)</b>	<b>As at 31.03.20</b>		<b>As at 31.03.19</b>	
	<b>No. of Shares held</b>	<b>% of Holding</b>	<b>No. of Shares held</b>	<b>% of Holding</b>
Alpha Alternatives Holding Private Limited	31,36,388	100%	15,68,194	100%



PROVINCIAL FINANCE AND LEASING COMPANY PRIVATE LIMITED  
NOTES TO FINANCIAL STATEMENT

Currency : INR

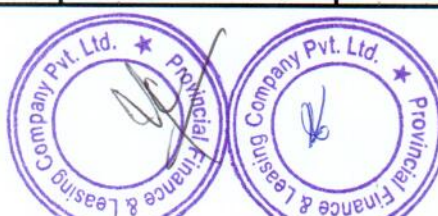
NOTE 3: RESERVES AND SURPLUS	As at 31.03.20	As at 31.03.19
<b>General Reserve</b>		
Opening balance	10,00,000	10,00,000
Add : Transfer to Profit and Loss and Account	-	-
Less: Utilised during the year	-	-
Closing Balance	10,00,000	10,00,000
<b>Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934</b>		
Opening balance	-	-
Add : Transferred from Statement of Profit and Loss	39,997	-
Closing Balance	39,997	-
<b>Securities Premium</b>		
Opening balance	23,64,960	23,64,960
Add : Premium on shares issued	54,57,315	-
Closing Balance	78,22,275	23,64,960
<b>Surplus in Statement of Profit and Loss</b>		
Opening balance	11,74,891	12,11,857
Add : Profit For the year	1,99,984	(18,349)
Less: Transfer to statutory reserve under Section 45-IC of the RBI Act, 1934 (Refer Note 3.1)	(39,997)	-
Less: Transferred to Provision for Standard Asset	-	(18,617)
Closing Balance	13,34,878	11,74,891
<b>TOTAL</b>	<b>1,01,97,150</b>	<b>45,39,851</b>

3.1 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.

NOTE 4: LONG TERM PROVISIONS	As at 31.03.20	As at 31.03.19
Provision for Standard Asset (Refer Note 4.1)	70,350	50,819
	<b>70,350</b>	<b>50,819</b>

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

NOTE 5: OTHER CURRENT LIABILITIES	As at 31.03.20	As at 31.03.19
(a) Statutory liabilities	1,85,496	-
(b) Sundry Creditors for Expenses (Refer Note no 19)	7,28,506	-
(c) Other Liabilities	4,77,864	83,900
	<b>13,91,866</b>	<b>83,900</b>





<b>NOTE 6: LOANS AND ADVANCES</b>		
	<b>As at 31.03.20</b>	<b>As at 31.03.19</b>
<b>Unsecured, considered good</b>		
(a) Non Current loans	-	-
(b) Current loans	2,81,40,000	2,00,90,000
	<b>2,81,40,000</b>	<b>2,00,90,000</b>

<b>NOTE 7: CASH AND CASH EQUIVALENTS</b>		
	<b>As at 31.03.20</b>	<b>As at 31.03.19</b>
(a) Balances with banks		
In Current Account	1,45,82,724	11,270
(b) Cash on hand	60,561	60,561
	<b>1,46,43,285</b>	<b>71,831</b>

<b>NOTE 8: SHORT-TERM LOANS AND ADVANCES</b>		
	<b>As at 31.03.20</b>	<b>As at 31.03.19</b>
(a) Balance with Revenue Authorities	1,48,532	29,969
(b) Advance payment of taxes (Net of provision)	45,617	-
	<b>1,94,149</b>	<b>29,969</b>

<b>NOTE 9: OTHER CURRENT ASSETS</b>		
	<b>As at 31.03.20</b>	<b>As at 31.03.19</b>
(a) Prepaid Expenses	45,285	1,64,710
(b) Other Current Assets	527	-
	<b>45,812</b>	<b>1,64,710</b>



PROVINCIAL FINANCE AND LEASING COMPANY PRIVATE LIMITED  
NOTES TO FINANCIAL STATEMENT

Currency : INR

NOTE 10: REVENUE FROM OPERATIONS	For the year ended on 31st March, 2020	For the year ended on 31st March, 2019
Sale of G-Sec	5,12,08,06,542	1,83,787
Interest Income	22,21,860	-
Income from Derivatives	6,73,931	1,83,787
	<b>5,12,37,02,333</b>	<b>3,67,574</b>

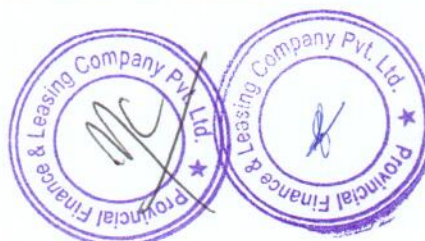
NOTE 11: OTHER INCOME	For the year ended on 31st March, 2020	For the year ended on 31st March, 2019
Interest on Income Tax Refund	1,698	-
	<b>1,698</b>	<b>-</b>

NOTE 12: PURCHASES	For the year ended on 31st March, 2020	For the year ended on 31st March, 2019
Purchase of G-sec	5,12,04,75,291	-
	<b>5,12,04,75,291</b>	<b>-</b>

NOTE 13: EMPLOYEE BENEFIT EXPENSE	For the year ended on 31st March, 2020	For the year ended on 31st March, 2019
Salaries and Wages	9,10,905	-
	<b>9,10,905</b>	<b>-</b>

NOTE 14: OTHER EXPENSES	For the year ended on 31st March, 2020	For the year ended on 31st March, 2019
Audit Fees & Expenses	30,000	30,000
Bank Charges	25,356	7,788
Legal Fees	3,12,100	55,460
Professional Fees	2,04,481	36,680
Membership Fees	-	64,900
Business Support Charges	6,00,000	4,808
Professional Tax	2,500	2,500
Transaction Charges	7,47,062	-
Miscellaneous Expenses	246	-
Provision for Standard Asset	19,531	-
	<b>19,41,277</b>	<b>2,02,136</b>

NOTE 15: EARNINGS PER SHARE	For the year ended on 31st March, 2020	For the year ended on 31st March, 2019
Net Profit After Tax (A)	1,99,984	(18,349)
Weighted Average Number of Equity Shares outstanding during the year (B)	19,62,385	15,68,194
Number of Dilutive Potential Equity Shares (C)	NIL	NIL
<b>Basic Earning Per Share (A/B)</b>	<b>0.10</b>	<b>(0.01)</b>
<b>Dilutive Earning Per Share (A/(B+C))</b>	<b>0.10</b>	<b>(0.01)</b>





16. Related parties disclosures:

i) Names of Directors or Key Management Personnel:

- a) Director - Mr. Naresh Lakshman Singh Kothari
- b) Director – Mr. Shreyans Hitendrakumar Mehta

ii) 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:

- a) Kothari Family Trust
- b) Alpha Alternative Holdings Private Limited

iii) Other enterprises which are under common control:

- a) Ebony Advisors LLP
- b) Alpha Alternative Finserve Solutions LLP
- c) Alpha Alternatives Investment Advisors LLP
- d) Silverleaf Oak Advisors LLP
- e) Alpha Alternative Fund Advisors LLP
- f) Third Edge Advisors LLP
- g) Agri Commodity Alpha LLP
- h) Ncube Ventures LLP
- i) Pinkstone LLP
- j) Purple Orchid Hotel LLP
- k) Silvia Ventures LLP
- l) Third Alpha LLP



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Sr. No	Name of the related party and nature of relationship	Nature of transaction	2019-20		2018-19	
			Transaction Value	Outstanding amounts carried in Balance Sheet	Transaction Value	Outstanding amounts carried in Balance Sheet
<b>(A) Holding Company, subsidiaries and fellow subsidiaries</b>						
1	Alpha Alternatives Holdings Pvt Ltd (Holding Company)	Contribution to equity (15,68,194 shares of Rs 10 each at a premium of Rs. 3.48 each)	2,11,39,255	-		
		Business support charges paid	6,00,000	6,48,000	-	-
		Reimbursement of expenses	22,630	22,630	-	-
<b>(B) Other enterprises where Key management personnel exercise significant influence</b>						
	Agri Commodity Alpha LLP (Other enterprises where Key management personnel exercise significant influence)	Reimbursement for Employee Medclaim Insurance paid	57,876	57,876	-	-
	Ncube Ventures LLP (Other enterprises where Key management personnel exercise significant influence)	Loans Given	1,30,00,000	-	-	-
		Loans Repaid	1,30,00,000	-	-	-
		Interest Received	84,624	-	-	-

**17. Segment Reporting:**

Since the Company has only one reportable business segment i.e. Investment and financing, since the nature of the loans are exposed to similar risk and return profiles and hence are collectively operating under a single segment., no disclosure is required to be given as per Accounting Standard - 17 'Segmental Reporting' as notified under





Section 133 of the Companies Act, 2013 ('the Act') read together with paragraph 7 of the Companies (Accounts) Rules, 2014.

**18. Dues to MSME:**

Based on the information available with the Company, the following is the amount due to the suppliers who are registered as micro, small and medium enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006".

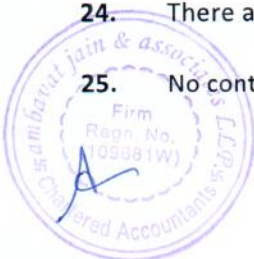
<b>Particulars</b>	<b>Amount</b>
The principal amount remaining unpaid at the end of the year	1,46,170
The interest amount remaining unpaid at the end of the year	-
The interest amount paid in terms of Section 16 of MSMED Act 2006	-
The balance of MSMED parties as at the end of the year	1,46,170

**19. Auditors Remuneration:**

<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
Statutory Audit Fees	30,000	30,000
Professional Fees	1,01,000	40,000
Reimbursements	3,06,790	-
<b>Total</b>	<b>4,37,790</b>	<b>70,000</b>

(Figures are excluding taxes)

- 20.** At the year end, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- 21.** There are no contingent liabilities.
- 22.** Additional information as per Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 is given in Annexure 1
- 23.** The outbreak of Coronavirus (Covid-19) pandemic globally and in India is causing significant disturbance in financial markets. On 11.03.2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organisation (WHO). It has also resulted in significant disruption in global and economic activities. The situation is under close watch by the company to take prompt actions for the business in the optimised manner. The company believe that impact of this outbreak will not be significant on its business and financial position.
- 24.** There are no Foreign currency transactions.
- 25.** No contract on capital account remains to be executed.



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26. Figures have been rounded off to the nearest rupees.
27. Previous year's figures have been regrouped and/or reclassified wherever considered necessary so as to make them comparable with those of the current year.


As per our report of even date attached

**For Ambavat Jain & Associates LLP**  
Chartered Accountants  
FRN: 109681W



**Atul Ambavat**  
Partner  
Membership No. 113731  
Place: Mumbai  
Date: August 05, 2020  
UDIN: 20113731AAAAIG3440

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



**Naresh Kothari**  
Managing Director  
DIN: 00012523  
Mumbai  
August 05, 2020



**Shreyans Mehta**  
Director  
DIN: 06756771  
Mumbai  
August 05, 2020





**Annexure 1 of the Note No. 22 to the Notes to the Financial Statements for the year ended March 31, 2020**

**A. Asset Classification**

Particulars		Amount in Rupees
(i)	Standard assets;	2,8140,000
(ii)	Sub-standard assets;	-
(iii)	Doubtful assets; and	-
(iv)	Loss assets	-

**B. Schedule to the Balance Sheet of a non-deposit taking Non-Banking Financial Company (as required in terms of paragraph 13 of Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015**

	Particulars	Amount Outstanding	Amount Overdue
	<b>Liabilities side :</b>		
(1)	Loans and advances availed by the non- banking financial company inclusive of interest accrued thereon but not paid:		
	(a) Debentures (other than falling within the meaning of public deposits)		
	: Secured	-	-
	: Unsecured	-	-
	(b) Deferred Credits	-	-
	(c) Term Loans	-	-
	(d) Inter-corporate loans and borrowing	-	-
	(e) Commercial Paper	-	-
	(f) Other Loans (specify nature)	-	-
	* Please see Note 1 below		

(2)	Assets side :	Amount outstanding
	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :	
	(a) Secured	-
	(b) Unsecured *	2,81,40,000

\* Total of short and long term loans and advances



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(3)	<b>Break up of Leased Assets and stock on hire and other assets counting towards AFC activities</b>	<b>Amount Outstanding</b>
	(i) Lease assets including lease rentals under sundry debtors: (a) Financial lease (b) Operating lease	- - -
	(ii) Stock on hire including hire charges under sundry debtors: (a) Assets on hire (b) Repossessed Assets	- - -
	(iii) Other loans counting towards AFC activities (a) Loans where assets have been repossessed (b) Loans other than (a) above	- - -

(4)	<b>Break-up of Investments :</b>	
	<b><u>Current Investments:</u></b>	
	<b><u>1. Quoted :</u></b>	
	(i) Shares : (a) Equity (b) Preference	- -
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others	-
	<b><u>2. Unquoted :</u></b>	
	(i) Shares : (a) Equity (b) Preference	- -
	(ii) Debentured and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others	-
	<b><u>Long Term Investments:</u></b>	
	<b><u>1. Quoted :</u></b>	
	(i) Shares : (a) Equity (b) Preference	- -
	(ii) Debentures and Bonds	-
	(iii) Units of mutual funds	-
	(iv) Government Securities	-
	(v) Others	-





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<b>2. Unquoted :</b>	-
(j) Shares : (a) Equity (b) Preference	
(ii) Debentured and Bonds	
(iii) Units of mutual funds	
(iv) Government Securities	
(v) Others	

<b>(5) Borrower group-wise classification of assets financed as in (2) and (3) above: Please see Note 2 below:</b>				
	Category	Amount net of Provision		
		Secured	Unsecured	Total
	<b>1. Related Parties **</b>			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same Group	-	-	-
	(c) Other Related Parties	-	-	-
	<b>2. Other than related parties</b>	-	2,81,40,000	2,81,40,000
	<b>Total</b>	-	<b>2,81,40,000</b>	<b>2,81,40,000</b>

<b>(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): Please see Note 3 below:</b>			
	Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
	<b>1. Related Parties **</b>		
	(d) Subsidiaries	-	-
	(e) Companies in the same Group	-	-
	(f) Other Related Parties	-	-
	<b>2. Other than related parties</b>	-	-
	<b>Total</b>	-	-

\*\* As per Accounting Standard (AS-18)

**(7) Other Information**

	Particulars	Amount
(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)	Asset acquired in satisfaction of debt	-



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**Notes:**

1. As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
2. Provisioning norms shall be applicable as prescribed in Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 or Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 whichever is applicable.
3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.





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**DIRECTOR'S REPORT**

To

The Members,

Your Directors have pleasure in submitting their Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2020.

**1. FINANCIAL RESULTS**

The Company's financial performance for the year under review along with previous year figures is given hereunder:

Particulars	2019-20 (Rs.)	2018-19 (Rs.)
Total Revenue	5,12,37,02,333	1,83,787
Profit before Interest, depreciation and Tax	3,76,558	(18,349)
Less: Interest Cost	-	-
Profit before Depreciation and Tax	3,76,558	(18,349)
Less: Depreciation	-	-
Profit before Tax	3,76,558	(18,349)
Less: Provision for Taxation	1,76,574	-
Profit after Tax	1,99,984	(18,349)
Add: Balance in Profit and Loss Account b/f	11,74,891	12,11,857
Less: Transfer to Provision for Standard Asset	(39,997)	(18,617)
Net Profit after tax and dividend	13,34,878	11,74,891
Less: Amount transferred to General Reserves	-	-
Balance carried to Balance Sheet	13,34,878	11,74,891
Earnings Per Share (Basic)	0.10	(0.01)
Earnings Per Share (Diluted)	0.10	(0.01)

**2. DIVIDEND**

No Dividend was declared for the current financial year by the Company.

**3. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

Since there was no unpaid/unclaimed Dividend declared and paid last year, the provisions of Section 125 of the Companies Act, 2013 do not apply.



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#### 4. BUSINESS OPERATIONS

The Company is engaged in the business of dealing & Investment in shares, securities and mutual funds and leasing business. The Company is registered with Reserve Bank of India as a Non-Banking Financial Company (NBFC).

#### 5. MATERIAL CHANGES AND COMMITMENT

There have been no material changes and commitments affecting financial positions of the company that have occurred between the balance sheet date and date of this report.

No significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

#### 6. INTERNAL FINANCIAL CONTROL

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Board of the Company had laid down policies, guidelines, procedures and structure to enable implementation of appropriate internal financial controls across the Company. These control processes enable and ensure the orderly and efficient conduct of Company's business, including safeguarding of assets, prevention and detection of frauds and errors, the accuracy and completeness of the Accounting records and timely preparation & disclosure of financial statements. These controls also identify the risks and provides for means to minimize / mitigate the risks affecting the business of the Company as a whole.

#### 7. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture or Associate Company.

#### 8. DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review.

#### 9. AUDITORS

M/s Ambavat Jain & Associates LLP, Chartered Accountants, (FRN – 109681W) the Statutory Auditors of the Company, holds office till the conclusion of the ensuing Annual General Meeting and is eligible for re-appointment.

M/s Ambavat Jain & Associates LLP, Chartered Accountants, (FRN – 109681W) have granted their consent for appointment as Statutory Auditors of the Company and have confirmed their eligibility for being appointed as Statutory Auditors of the Company in terms of requirements prescribed under Companies Act, 2013. The Board of Directors of the Company recommends the appointment M/s Ambavat Jain & Associates LLP, Chartered Accountants as the Statutory Auditors of the Company for approval of the Members at the forthcoming Annual General Meeting.





# PROVINCIAL FINANCE AND LEASING COMPANY PRIVATE LIMITED

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## 10. AUDITORS REPORT

The Report given by the Statutory Auditors for the Financial Statements for the year ended 31st March, 2020 read with explanatory notes thereon do not call for any explanation or comments from the Board under Section 134(3) of the Companies Act, 2013. The Auditors Report to the Shareholders does not contain any reservation, qualification or any adverse remark.

## 11. SHARE CAPITAL

During the year, 15,68,194 equity shares issued to the existing shareholder by way of Right Issue. On March 31, 2020 Company's paid-up share capital stood at Rs. 3,13,63,880/- divided into 31,36,688 equity shares of Rs. 10 each.

## 12. EXTRACTS OF ANNUAL RETURN

The extract of Annual Return of the Company is annexed herewith as "Annexure 1" to this Report.

## 13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

### i. Conservation of Energy

The energy Consumption is insignificant. However, the company has taken steps to conserve energy wherever possible

### ii. Technology Absorption

The provisions relating to Research & Development and Technology Absorption are not applicable to our Company.

### iii. Foreign Exchange Earnings and Outgo

There was no foreign exchange inflow or Outflow during the year under review.

## 14. CORPORATE SOCIAL RESPONSIBILITY

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

## 15. DIRECTORS

Details of the Directors on Board for the period from 01/04/2019 to 31/03/2020

Name of the Director	Designation/Category	Date of appointment	Date of resignation
Naresh Kothari	Director	19/01/2019	NA
Shreyans Mehta	Director	19/01/2019	NA

## 16. MEETINGS OF THE BOARD

The Company had 6 Board meetings during the financial year under review.



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### 17. LOANS, GURANTEES OR INVESTMENTS

Details of loans granted, guarantees provided and investments made by the Company under the provisions of Section 186 of the Companies Act, 2013, are provided in the Notes forming part of the financial statements.

### 18. CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

There was no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.

### 19. REMUNERATION TO KEY MANAGERIAL PERSONNEL

No managerial remuneration has been paid during the year under review.

### 20. RISK MANAGEMENT

The Company does not have any Risk Management Policy as the element of risk threatening the Company's existence is very minimal.

### 21. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:—

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.





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**21. ACKNOWLEDGEMENTS**

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**


**NARESH KOTHARI**

Director

DIN: 00012523

Place: Mumbai

Date: 05<sup>th</sup> August 2020


**SHREYANS MEHTA**

Director

DIN: 06756771