

To,
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot C/1,
G Block, Bandra-Kurla Complex,
Mumbai – 400 051.

Sub: Intimation under Regulation 50(2) and 53(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (the "Listing Regulations")

Dear Sir/Madam,

Pursuant to Regulation 50(2) and 53(2) of the Listing Regulations, this is to inform that the Annual General Meeting ("AGM") of the Members of Alpha Alternatives Financial Services Private Limited (Formerly known as Provincial Finance and Leasing Co Private Limited) will be held on Friday, September 29, 2023 at the Registered Office of the Company. Further, a copy of the Notice of the AGM and Annual Report of the Company for the financial year ended March 31, 2023 having required disclosures as per Regulation 53(1) of Listing Regulations is enclosed herewith.

We request you to kindly take the same on record.

Thanking you,

For Alpha Alternatives Financial Services Private Limited
(Formerly known as Provincial Finance and Leasing Co Private Limited)


Shreyans Mehta
Director
DIN:06756771



Encl:

- a) Copy of Notice of AGM
- b) Copy Annual Report for the FY 2022-2023

To,
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We request you to kindly take the same on record.

Thanking you,

For **Alpha Alternatives Financial Services Private Limited**
(*Formerly known as Provincial Finance and Leasing Co Private Limited*)

Sd/-

Shreyans Mehta
Director
DIN:06756771

Encl:

- a) Copy of Notice of AGM
- b) Copy Annual Report for the FY 2022-2023

NOTICE

Shorter Notice is hereby given that the 30th Annual General Meeting (the “AGM”) of the members of Alpha Alternatives Financial Services Private Limited (*Formerly known as Provincial Finance and Leasing Co Private Limited*) (the “Company”) will be held on Friday the 29th day of September 2023 at 10:00 a.m. (IST) at the Registered Office of the Company at 34th Floor, Sunshine Tower, Senapati Bapat Marg, Near Kamgar Krida Maidan, Dadar West, Mumbai - 400 013, to transact the following businesses:

Ordinary Business:

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2023, together with the reports of the Board of Directors and Auditors thereon, by passing the following resolution, with or without modification(s), as an **Ordinary Resolution**:

“**RESOLVED THAT** the Audited Financial Statements of the Company for the financial year ended March 31, 2023, together with the Reports of the Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby considered and adopted.”

2. **Appointment of Statutory Auditors:**

A. To fill in the Casual Vacancy:

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 (the “Act”), read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, approval of the Members of the Company, be and is hereby accorded for appointment of M/s NDAA & Associates LLP (Firm Registration No. 129486W / W100775), as the Statutory Auditors of the Company, with effect from 18th September, 2023, to fill in the casual vacancy caused by the resignation of M/s. Ambavat Jain & Associates LLP (Firm Registration No. 109681W) to hold office till the conclusion of this Annual General Meeting, at such remuneration and out of pocket expenses, as may be mutually agreed between the Board of Directors of the Company and the Auditors;

RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof) be and are hereby severally authorised on behalf of the Company, to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary or desirable for such purpose and with the power to the Board to settle all questions, difficulties or doubts that may arise in this regard for the implementation of the aforesaid Resolution.”

B. For a term of 3 (three) years:

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 (the “Act”), read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, read with RBI notification RBI/2021-22/25, Ref.No.DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021, including any amendment(s), modification(s), variation(s) or re-enactment(s) thereof, from time to time, approval of the Members of the Company, be and is hereby accorded for appointment of M/s NDAA & Associates LLP (Firm Registration No 129486W / W100775), as the Statutory Auditor of the Company, to hold office from the conclusion of this Annual General Meeting (“AGM”) till the conclusion of the 33rd AGM of the Company, subject to them continuing to fulfill the applicable eligibility norms, at such remuneration and out of pocket expenses, as may be mutually agreed between the Board of Directors of the Company and the Auditors.

RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof) be and are hereby severally authorised on behalf of the Company, to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary or desirable for such purpose and with the power to the Board to settle all questions, difficulties or doubts that may arise in this regard for the implementation of the aforesaid Resolution.”

For **Alpha Alternatives Financial Services Private Limited**

(Formerly known as Provincial Finance and Leasing Co Private Limited)

Sd/-

Shreyans Mehta

Director

DIN:06756771

Place: Mumbai

Date: 18th September, 2023

Registered Office:

34th Floor, Sunshine Tower,
Senapati Bapat Marg, Dadar West,
Mumbai – 400 013

CIN: U65923MH1993PTC075162

NOTES:

1. The Annual General Meeting shall be convened at a shorter notice after obtaining consent from the Members of the Company pursuant to Section 101 of the Companies Act, 2013.
2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 to be transacted at the AGM in respect of item no 2A and 2B is annexed hereto and forms part of the Notice.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Pursuant to Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than fifty members holding in aggregate, not more than ten percent of the total share Capital of Company may appoint a single person as Proxy, who shall not act as a Proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours (Sunday is included in computation of 48 hours) before the commencement of the Meeting. A Proxy Form is annexed to this report.
4. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution to the Company authorizing their representative to attend and vote on their behalf at the meeting.
5. Members / proxies / authorized representatives should bring the duly filled attendance slip enclosed herewith to attend the meeting.
6. A Route Map along with Prominent Landmark for easy location to reach the venue of Annual General Meeting is annexed with the Notice.

STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 2A and 2B:

(The explanation for this item is given for the information of the Members, though strictly not required as per Section 102 of the Companies Act, 2013)

The Members of the Company at the Twenty Sixth Annual General Meeting ('AGM') held on 30th September, 2019, had approved the appointment of M/s. Ambavat Jain & Associates LLP (Firm Registration No. 109681W), as the Auditors of the Company for a term of five years, till the conclusion of the 31st AGM to be held in the year 2024.

M/s. Ambavat Jain & Associates LLP has tendered their resignation as the Auditors of the Company, expressing their inability to continue as the Auditors due to other time bound and compelling assignments, resulting in a casual vacancy in the office of the Auditors of the Company, with effect from 14th September, 2023, as per Section 139(8) of the Companies Act, 2013 (the 'Act').

In accordance with aforesaid provision of the Act, the casual vacancy caused by the resignation of Auditors shall be filled by the Board within a period of thirty days and such appointment shall also be approved by the Members of the Company within three months of the recommendation of the Board.

Accordingly, based on the recommendation of the Audit Committee and the confirmation received from M/s. NDAA & Associates LLP (Firm Registration No. 129486W / W100775) on their eligibility and as per RBI notification RBI/2021-22/25, Ref.No.DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021, the Board recommends to the Members the appointment of NDAA & Associates LLP, as the Auditors of the Company:

- (a) to fill the casual vacancy caused by the resignation of Ambavat and to hold the office up to the conclusion of this AGM; and
- (b) for a period 3 years from the conclusion of this AGM till the conclusion of the 33rd AGM of the Company to be held in the year 2026.

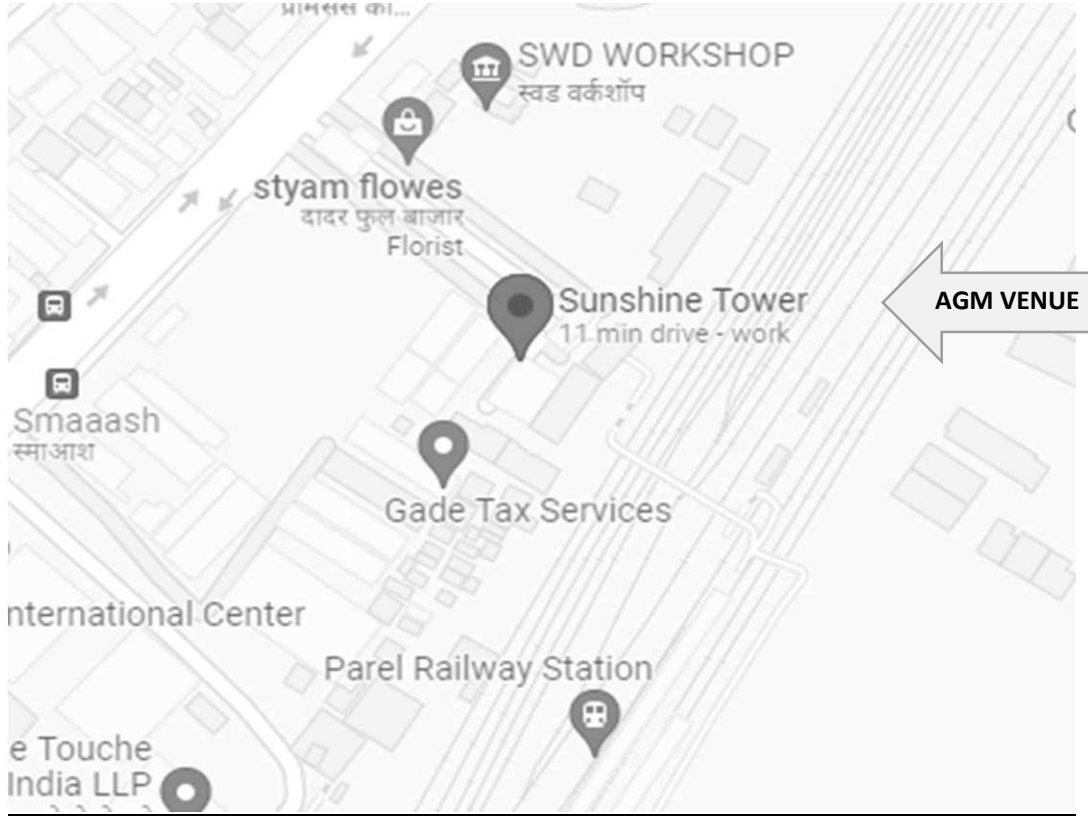
Brief of M/s. NDAA & Associates LLP:

NDAA & Associates, a partnership firm established in 2007, has been successfully carrying out its professional activities to facilitate timely and prompt services to its clients. Firm offers wide range of services like Risk Consulting, Assurance, Business Process outsourcing, Direct and Indirect Taxation, Secretarial Compliance, and other advisory services.

Firm has multi-disciplinary Team of experienced professionals having expertise in various domains.

None of the Directors, Key Managerial Personnel and their relatives is concerned or interested in Item Nos. 2A and 2B of the Notice.

Route map for the AGM to be held at the Registered Office of the Company at 34th Floor, Sunshine Tower, Senapati Bapat Marg, Near Kamgar Krida Maidan, Dadar (West), Mumbai – 400 013.



*Alpha Alternatives Financial Services Private Limited
(Formerly known as Provincial Finance and Leasing Co Private Limited)
(CIN: U65923MH1993PTC075162)*

*Registered office: 34th floor, Sunshine Tower, Senapati Bapat Marg, Near Kamgar Krida Maidan, Dadar West,
Mumbai - 400 013, India*

Email: info@alt-alpha.com (B) +91 22 6145 8900 (W): www.fin.alt-alpha.com

30TH ANNUAL GENERAL MEETING**ATTENDANCE SLIP****(To be presented at the entrance)****CIN:** U65923MH1993PTC075162**Registered office:** 34th Floor, Sunshine Tower, Senapati Bapat Marg, Near Kamgar Krida Maidan, Dadar (West), Mumbai – 400 013.

DP ID	Client ID	Folio. No.	No. of Shares

Name: _____

Address: _____

Name of Proxy: _____

(To be filled in, if the Proxy attends instead of the member)

I hereby record my presence at the 30th Annual General Meeting of the Company held on Friday the 29th day of September 2023 at 10:00 a.m. at the registered office of the Company at 34th Floor, Sunshine Tower, Senapati Bapat Marg, Near Kamgar Krida Maidan, Dadar (West), Mumbai – 400 013.

Signature of Shareholder/Proxy/Authorised Representative

NOTE:

1. Member / Proxy holder wishing to attend the meeting must bring the Attendance Slip duly signed to the meeting and hand it over at the entrance.
2. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.

Form No. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: U65923MH1993PTC075162

Registered office: 34th Floor, Sunshine Tower, Senapati Bapat Marg, Near Kamgar Krida Maidan, Dadar (West), Mumbai – 400 013.

Name of the Member (s):

Registered address:

E-mail Id:

Folio No/ DP ID & Client Id:

I/We, being the member (s) of shares of the above named Company, hereby appoint

1. Name:..... Address: Email-id
..... Signature or failing him
2. Name: Address: Email-id
..... Signature or failing him
3. Name: Address: Email-id
..... Signature or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the Company, to be held on Friday the 29th day of September 2023 at 10:00 a.m. at 34th Floor, Sunshine Tower, Senapati Bapat Marg, Near Kamgar Krida Maidan, Dadar (West), Mumbai – 400 013 and at any adjournment thereof in respect of such Resolutions as are indicated below:

Sr. No.	Resolutions	For	Against
1	To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2023, together with the reports of the Board of Directors and Auditors thereon		
2	Appointment of Statutory Auditors		

Affix
Revenue
Stamp

Signature of Shareholder:

Signature of Proxy holder(s):

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

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

30th Annual Report (2022-23)

Board of Directors:

Mr. Shreyans Mehta	-	Executive Non-Independent Director
Mr. Naresh Kothari	-	Non-Executive Non-Independent Director
Mr. Pradeep Parakh	-	Non-Executive Independent Director
Mrs. Bharati Aindley	-	Non-Executive Independent Director

Company Secretary & Compliance Officer:

Ms. Rupali Maini

Statutory Auditors:

Ambavat Jain & Associates LLP

Registered Office:

34th Floor, Sunshine Tower,
Senapati Bapat Marg, Near Kamgar Krida Maidan,
Dadar (West), Mumbai - 400 013.
CIN: U65923MH1993PTC075162
Tel.: 022-6145-8900
Email: compliance@alt-alpha.com

Debenture Trustee:

MITCON Credentia Trusteeship Services Limited
1402/1403 Dalamal Tower, Free Press Journal Marg, 211,
Nariman Point, Mumbai – 400021

Registrar and Share Transfer Agent:

Link Intime India Private Limited

247 Park, C-101 1st Floor,
LBS Marg Vikhroli West,
Mumbai -400083

BOARD'S REPORT

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

The Directors of your Company hereby present their 30th Board's Report on the business, operations and the state of affairs of the Company together with the Audited Financial Statements for the financial year ended March 31, 2023:

FINANCIAL HIGHLIGHTS:

The summary of the Company's financial performance, for the Financial Year ("FY") 2022-23 as compared to the previous FY 2021-22 is given below:

Particulars	FY 2022-23 (in lakhs)	FY 2021-22 (in lakhs)
Gross Income	31,041.53	191.69
Less:		
Finance Costs	20,306.02	73.72
Impairment on financial instruments	-	-
Employee benefits expense	1,477.83	39.11
Depreciation and amortisation and impairment	1.80	-
Other expenses	3,400.24	73.39
Profit Before Tax	5,855.64	5.47
Less: Provision for Tax	1,473.50	1.38
Profit After Tax	4,382.14	4.09
Other comprehensive income	-805.36	-125.76
Less: Tax on other comprehensive income	84.01	13.46
Other comprehensive income attributable to owners of the Company	-721.35	-112.30
Total comprehensive income attributable to owners of the Company	3,660.79	-108.21
Amount brought forward from previous year	21.02	17.74
Ind AS 116 transition impact net of tax	-	-
Amount available for appropriation	4,403.16	21.83
Appropriations:		
Special Reserve Account	876.43	0.82
Interim Dividend on Equity Shares (Including Tax on Dividend)	-	-
Surplus carried to Balance Sheet	3,526.73	21.02

INFORMATION ON THE STATE OF AFFAIRS OF THE COMPANY:

Your Company is a wholly-owned subsidiary of Alpha Alternatives Holdings Private limited ("AAHPL") and is a Systemically Important Non-Deposit taking Non-Banking Financial Company ("NBFC-ND-SI"), holding a Certificate of Registration dated April 7, 1998, from the Reserve Bank of India ("RBI").

The Company's gross Income stood at Rs.31,041.53 lakhs (FY 2021-2022: Rs.191.69 lakhs). The Company's Profit Before Tax was Rs. 5,855.64 lakhs (FY 2021-2022: Rs. 5.47 lakhs) and the Profit After Tax was Rs. 4,382.14 lakhs (FY 2021-22: Rs. 4.09 lakhs).

As required under Section 45IC of the Reserve Bank of India Act, 1934, 20% of the profits are required to be transferred to a Special Reserve Account. An amount of Rs. 876.43 lakhs (FY 2021-22: Rs. 0.82 lakhs), has been transferred to the said Reserve. An amount of Rs. 4,382.14 has been carried to the Balance Sheet, as Surplus to Profit and Loss account.

Information on the operational and financial performance for the financial year ended March 31, 2023, key highlights, future outlook among others, is given in the Management Discussion and Analysis Report which is annexed as **Annexure I** to this Report and is in accordance with the provisions of the RBI Master Direction No. DNBR.PD.008/03.10.119/2016-17 dated September 1, 2016 as amended i.e. Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking company and Deposit taking Company (Reserve Bank) Directions, 2016 ("RBI Master Directions") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

CHANGE OF NAME OF THE COMPANY:

During the year under review, the Company has changed its name from Provincial Finance and Leasing Co Private Limited to Alpha Alternatives Financial Services Private Limited with effect from May 8, 2023, with a view to reflect the name of the holding company.

DIVIDEND:

Your Directors do not recommend any dividend for the year under review.

CHANGES IN THE SHARE CAPITAL OF THE COMPANY:

(i) Increase in Authorised Capital:

The Authorised Share Capital of the Company was increased from Rs. 14,50,00,000/- divided into 1,45,00,000 Equity Shares of the face value of Rs. 10/- each to Rs. 18,50,00,000/- divided into 1,50,00,000 Equity Shares of the face value of Rs. 10/- each and Rs. 3,50,00,000/- divided into 35,00,000 Preference Shares of the face value of Rs. 10/-.

(ii) Allotment of Equity Shares:

The Company had issued and allotted 11,25,000 Equity Shares of the face value of Rs. 10/- each at a premium of Rs. 390/- each at an Issue Price of Rs. 400/- each aggregating to Rs. 45,00,00,000/- on rights basis to Alpha Alternatives Holdings Private Limited.

(iii) Allotment of 0.0001% Cumulative Compulsory Convertible Preference Shares ("CCPS"):

The Company had issued and allotted 14,58,250 CCCPS at premium of Rs. 390/- per CCCPS at an Issue Price of Rs. 400/- each aggregating to Rs. 58,33,00,000/- on preferential basis to Sargam Retails Private Limited.

Consequently, as on March 31, 2023, the total paid-up share capital of the Company stood at Rs. 16,01,96,380 divided into 1,45,61,388 Equity Shares of Rs.10/- each and 14,58,250 CCPSF of Rs. 10 each.

HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

During the year under review, your Company did not have any subsidiary, associate or joint venture agreement under the provisions of the Companies Act, 2013.

However, the Company continues to be a wholly-owned subsidiary of Alpha Alternatives Holdings Private Limited.

BORROWINGS:

During the year, the Company issued Market Linked non-convertible Debentures (MLD's) from time to time on a private placement basis.

The aggregate debt (MLD's) outstanding as on March 31, 2023 was Rs. 1,074.5 crore (of which, Rs. 428.7 crore redeemed within one year). The Debt / Networth ratio as on March 31, 2023 was 7.69 times (as per Ind AS). The Company has been regular in servicing all its debt obligations.

LOANS, INVESTMENTS, SECURITY AND GUARANTEES:

Since the Company is an NBFC Company, provisions of Section 186 of the Act are not applicable. However, the details of loans given and investments made are provided under Notes to Accounts annexed to the Financial Statements for the year ended March 31, 2023, and the same forms part of this Annual Report. Further, during the year under review, the Company has not given any guarantee.

The Company has provided security of loans and other receivables in favour of Debenture Trustees in accordance with the Debenture Trust Deed executed by the Company.

DEPOSITS:

The Company did not hold any public deposits at the beginning of the year nor has it accepted any public deposits during the year under review.

RELATED PARTY TRANSACTIONS:

The Company has adopted a Policy and a Framework on Related Party Transactions ("RPTs") for the purpose of identification, monitoring and approving such transactions in line with the requirements of the Act and the SEBI Listing Regulations. During the year under review, the RPT Policy was amended to inter alia, include the amendments of the SEBI Listing Regulations. The said Policy is available on the Company's website at <https://www.fin.alt-alpha.com/policies-codes>.

All the RPTs that were entered into during FY 2022-23, were in ordinary course of business and on an arm's length basis. The transaction requiring disclosure under Section 134(3)(h) of the Act in Form AOC-2 is annexed to this Report and marked as **Annexure II**.

During the year, in terms of Regulation 23(4) of the SEBI Listing Regulations, the Company had entered into material RPTs with the holding company with respect to business support charges, loan to group subsidiary companies and other arrangements. The said transactions were in ordinary course of business and on arm's length basis.

Pursuant to the aforesaid Regulation, all material RPTs require approval of the shareholders through resolution and no related party shall vote to approve such resolutions, whether the entity is a related party to the particular transaction or not. Since, the Company is a wholly owned subsidiary of AAHPL, the

requirement of only unrelated shareholders voting to approve material RPTs cannot be met. Hence, owing to the impossibility of complying with this requirement, the shareholders' approval was not sought for the material RPTs. Necessary disclosure was duly made in the Report on Corporate Governance filed with the stock exchanges for the quarter ended March 31, 2023.

The details of RPTs as required to be disclosed by Indian Accounting Standard – 24 on “Related Party Disclosures” specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, are given in the Notes to the Financial Statements.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

(i) Independent Directors:

During the period under review, Mr. Pradeep Parakh (DIN: 00008805) and Mrs. Bharti Aindley (DIN: 09750519) were appointed as Independent Directors on the Board of the Company with effect from September 29, 2022.

Further, the Company has received declarations from both the Independent Directors of the Company confirming that they meet the criteria of independence prescribed under the Companies Act, 2013 and also in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and who, in the opinion of the Board, are the persons of integrity and possess relevant expertise and experience and that they have registered their names in the Independent Directors' Databank.

(ii) Executive Directors:

During the year under review, designation of Mr. Naresh Kothari (DIN: 00012523) was changed from Executive Non-Independent Director to Non-Executive Non-Independent Director with effect from September 29, 2022. Further, Mr. Shreyans Mehta continues to be the Executive Non-Independent Director of the Company.

(iii) Key Managerial Personnel:

Ms. Rupali Maini was appointed as the Company Secretary and Compliance Officer of the Company, with effect from August 24, 2022.

Further, the Board of Directors of the Company is duly constituted.

NUMBER OF BOARD MEETINGS HELD:

During the year ended March 31, 2023, the Board met fourteen (14) times. The details of the Board meetings and the attendance of the Directors at the meetings are provided in the Corporate Governance Report, enclosed as **Annexure III** which forms part of this Report.

COMMITTEES OF THE BOARD OF DIRECTORS:

(i) Audit Committee:

In accordance with the provisions of Section 177 of the Companies Act, 2013, (the Act), Regulation 70 of the RBI Master Directions and Regulation 18 of the SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015, (LODR), the Audit Committee of the Company comprises of the following Directors as its members:

Mr. Pradeep Parakh	Non-Executive Independent Director (Chairperson)
Mrs. Bharati Aindley	Non-Executive Independent Director
Mr. Shreyans Mehta	Executive Non-Independent Director

The constitution and terms of reference of the Committee are in compliance with the requirements of the Act and LODR. During the year ended March 31, 2023, the Committee met 2 times.

Further details of the Audit Committee are provided in the Corporate Governance Report, enclosed as **Annexure III** which forms part of this Report.

(ii) Nomination and Remuneration Committee:

In accordance with the provisions of Section 178 of the Companies Act, 2013, (the Act), Regulation 70 of the RBI Master Directions and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (LODR), the Nomination and Remuneration Committee of the Company presently comprises of the following Directors as its members:

Mrs. Bharati Aindley	Non-Executive Independent Director (Chairperson)
Mr. Pradeep Parakh	Non-Executive Independent Director
Mr. Naresh Kothari	Non-Executive Non-Independent Director

The constitution and terms of reference of the Committee are in compliance with the requirements of the Act and LODR. During the year ended March 31, 2023, the Committee met 1 time.

Further, details of the Committee are provided in the Corporate Governance Report, enclosed as **Annexure III** which forms part of this Report.

The Remuneration Policy pursuant to Section 178 of the Companies Act, 2013 is annexed as **Annexure IV** to this Report.

CORPORATE SOCIAL RESPONSIBILITY:

The provisions of Section 135 of the Companies Act, 2013 read with the Rules framed thereunder were not applicable to the Company during the Financial Year 2022-2023.

However, the Net profit of the Company for the Financial Year 2022-2023 has triggered the limit as specified under Section 135 of Companies Act, 2013. Further, the requirement for constitution of the Corporate Social Responsibility Committee is not applicable to the Company since the amount to be spent by the Company does not exceed Rupees Fifty Lakh and the functions of such Committee shall be discharged by the Board of Directors.

The CSR Policy of the Company is made available on the Company's website at <https://www.fin.alpha.com/policies-codes>.

REMUNERATION POLICY:

The Board of Directors of the Company have framed a Remuneration Policy pursuant to Section 178 of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and the

Compensation Guidelines for key managerial personnel and senior management in NBFCs issued by the Reserve Bank of India. The Policy is annexed as **Annexure IV** to this Report.

The Remuneration Policy of the Company is made available on the Company's website at <https://www.fin.alt-alpha.com/policies-codes>.

The Company has also adopted a 'Fit and Proper' Policy for ascertaining the 'fit and proper' criteria to be adopted at the time of appointment of directors and on a continuing basis, pursuant to the RBI Master Directions for NBFCs. The Company has received the 'Fit and Proper' declarations from all the Directors of the Company in April 2023, which have been taken on record by the Board.

EVALUATION OF THE PERFORMANCE OF THE BOARD:

The Board has framed an Evaluation Policy ('the Policy') for evaluating the performance of the Board, Executive Directors, Independent Directors, Non-executive Directors and its Committees. Based on the Policy, the performance was evaluated for the financial year ended March 31, 2023. A meeting of the Independent Directors was held during the year under review.

The Policy inter alia provides the criteria for performance evaluation such as Board effectiveness, quality of discussion, contribution by the Directors at the meetings, their business acumen, strategic thinking, time commitment, and relationship with the stakeholders, corporate governance practices followed by the Company, contribution of the Committees to the Board in discharging its functions.

A separate meeting of the Independent Directors was held on March 18, 2023, wherein the performance of the Non-Independent Directors, performance of the Board as a whole and also that of the Chairman in terms of the provisions of the Companies Act, 2013, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Guidance Note issued by the Securities and Exchange Board of India in this regard was discussed.

INTERNAL FINANCIAL CONTROLS:

The Management has laid down a set of standards, processes and structure which enables to implement internal financial controls across the organization with reference to financial statements and that such controls are adequate and are operating effectively. Internal Financial control framework has been established in line with the Internal Control and Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note').

During the year under review, no material or serious observation has been observed for inefficiency or inadequacy of such controls.

RISK MANAGEMENT:

The Company has in place a Risk Management Policy. The Company has built a robust risk management framework with strong risk fundamentals and continues to monitor the internal and external risks arising out of macro-economic factors, regulatory changes and geo-political scenario. The Board of Directors has set the tone at the top by laying down and approving the strategic plans and objectives for Risk Management and Risk Philosophy. The Risk Management Committee of the Board has the responsibility relating to monitoring and reviewing risks.

Changes in internal and external operating environment, digitalization, technological advancements and agile way of working have increased the significance of Fraud, Information & Cyber Security and Operational Risks. The Company continues to focus on increasing operational resilience and mitigation of these risks.

AUDITORS:

The Members of the Company at its Annual General Meeting held on September 30, 2019, appointed M/s. Ambavat Jain & Associates LLP, as the Auditors of the Company for a term of five years till the conclusion of the 31st Annual General Meeting to be held in the year 2024.

The Report of the Auditors on the financial statements for the financial year ended March 31, 2023, does not contain any qualification, reservation, adverse remarks or disclaimer. The Notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further clarifications under Section 134(3)(f) of the Act. Further, pursuant to Section 143(12) of the Act, the Statutory Auditors of the Company have not reported any instances of frauds committed in the Company by its officers or employees.

M/s. Ambavat Jain & Associates LLP have tendered their resignation as the Auditors of the Company vide letter dated 14th September, 2023, resulting in casual vacancy in the office of the Auditors.

In accordance with the provisions of Section 139 of the Act read with RBI notification RBI/2021-22/25, Ref.No.DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021, the Board has recommended to the Members the appointment of M/s. NDAA & Associates LLP, as the Auditors of the Company:

- (a) to fill the casual vacancy caused by the resignation of M/s. Ambavat Jain & Associates LLP and to hold the office up to the conclusion of the forthcoming AGM; and
- (b) for a period 3 years from the conclusion of forthcoming AGM till the conclusion of the 33rd AGM of the Company to be held in the year 2026.

Further, NDAA & Associates LLP has confirmed its eligibility to act as the Auditors of the Company

Auditors' Report**Statutory Auditors' Report:**

The Report of the Auditors on the financial statements does not contain any qualification, reservation, adverse remarks or disclaimer.

Secretarial Audit Report:

M/s. Sahani & Kothari Associates, Practicing Company Secretaries, were appointed as the Secretarial Auditor of the Company to conduct the Secretarial Audit for the financial year ended March 31, 2023. The Report of the Secretarial Auditor is provided as **Annexure V** to this Report.

The replies to the qualification/observation of the Secretarial Auditors are as follows:

Sl. No.	Regulation/ Circular No.	Qualification/observation	Reply by the Board
1	Reg 52(7)/(7A) of SEBI LODR	The Company has delayed in filing the Statement indicating the utilization of issue proceeds of non-convertible securities for the quarter ended March 31, 2022, by 7 days.	The Management has considered the remark. Further, there is no delay in the filings/intimations thereafter.
2	Reg 50(1) of SEBI LODR	The Company has delayed in filing the intimation by 1 day, w.r.t. Board Meeting for approval of audited	The Management has considered the remark. Further, there is no delay in the filings/intimations thereafter.

		Financial Statements for the quarter and year ended March 31, 2022.	
3	Reg 54(2)/(3) of SEBI LODR	The Company has delayed in filing the Asset Cover Certificate issued by the Statutory Auditors for March 31, 2022 by 1 day.	The Management has considered the remark. Further, there is no delay in the filings/intimations thereafter.
4	Regulation 51(2) read with Part B of Schedule III of SEBI LODR	The Company has delayed in filing the outcome of the Board Meeting dated May 30, 2022 by ~3 hours and 30 minutes regarding approval of the Audited Financial Results for the quarter and year ended March 31, 2022.	The Management has considered the remark. Further, there is no delay in the filings/intimations thereafter.
5	Regulation 13(3) of the SEBI LODR	The Company has delayed in filing the NIL Statement of Investor Complaints for the Quarter ended March 31, 2022, by a period of 8 days.	The Management has considered the remark. Further, there is no delay in the filings/intimations thereafter.
6	Regulation 54(2) of the SEBI LODR	The Company has filed the Security Cover Certificate. However, In the intimation filed with the Stock Exchange dated August 10, 2022, the Company has not disclosed the details as required under Regulation 54(2).	The Management has considered the remark. Further, there is no delay in the filings/intimations thereafter.
7	Regulation 57(4) of the SEBI LODR	The Company has delayed in filing the intimation under Regulation 57(4) regarding NIL Interest / Principle amount to Debenture Holders payable during the Quarter ending September 30, 2022, by a period of 4 days.	The Management has considered the remark. Further, there is no delay in the filings/intimations thereafter.
8	Reg 60 (2) of SEBI LODR	The Company has delayed in filing the intimation under Regulation 60(2) regarding record date for redemption of Debentures filed on March 20, 2023, by 4 days.	The Management has considered the remark. Further, there is no delay in the filings/intimations thereafter.

COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company has complied with the applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, issued, by the Institute of Company Secretaries of India.

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

The Company is committed in providing and promoting a safe and healthy work environment for all its employees. A 'Prevention of Sexual Harassment' Policy, which is in line with the statutory requirements, along with a structured reporting and redressal mechanism, including the constitution of Internal Complaints Committee in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, is in place.

No case was reported under the Policy during the year under review.

ANNUAL RETURN:

Pursuant to the provisions of Section 134(3) and 92(3) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company for the financial year ended March 31, 2023, is available on the Company's website and can be accessed at <https://www.fin.alt-alpha.com/annual-returns>.

WHISTLE BLOWER POLICY/VIGIL MECHANISM:

The Company has in place a Whistle Blower Policy to report genuine concerns/ grievances. The Policy is available on the website of the Company at the link: <https://www.fin.alt-alpha.com/policies-codes>. The Policy provides for adequate safeguards against the victimization of the persons who use the vigil mechanism. The vigil mechanism is overseen by the Audit Committee.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/ OUTGO:

A. Conservation of energy:

- i) the steps taken or impact on conservation of energy - The operations of the Company, being financial services related, require normal consumption of electricity. The Company is taking every necessary step to reduce its consumption of energy.
- ii) the steps taken by the Company for utilising alternate sources of energy - though the operations of the Company are not energy intensive, the Company shall explore alternative source of energy, as and when the necessity arises.
- iii) the capital investment on energy conservation equipment's - Nil

B. Technology absorption:

- (i) the efforts made towards technology absorption; The minimum technology required for the business has been absorbed.
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution; **Not Applicable**
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year); **Not Applicable**
 - (a) the details of technology imported;
 - (b) the year of import;
 - (c) whether the technology been fully absorbed;
 - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- (iv) the expenditure incurred on Research and Development: **Not Applicable**

C. Foreign exchange earnings and outgo:

Foreign exchange earnings and outgo during the year under review were Rs. **Nil** (previous year **Nil**) and Rs. **Nil** (previous year Nil) respectively.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134 of the Act, the Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) such accounting policies have been selected 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 as at March 31, 2023, and of the profit of the Company for the financial year ended on that date;
- (iii) proper and sufficient care had been taken for the 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 fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis; and
- (v) proper systems had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE GOVERNANCE:

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, (Listing Regulations) the Report on Corporate Governance together with the certificate issued by M/s. Sahani & Kothari Associates, Practicing Company Secretaries, on compliance with the conditions of Corporate Governance as stipulated in the Listing Regulations is enclosed in the Corporate Governance Report which forms part of this Report.

DECLARATION BY THE DIRECTOR:

A declaration by the Executive Director in terms of Para D of Schedule V to the SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015, on the declarations received from the Directors and the Senior Management personnel affirming compliance with the Code of conduct applicable to them is provided in the Corporate Governance Report which forms part of this Report.

COMPLIANCE:

The Company is registered with RBI as a NBFC-ND-SI. The Company has complied with and continues to comply with all applicable laws, rules, circulars and regulations, including the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (“RBI Master Directions”), as amended from time to time. With respect to provisioning of NPAs, the Company follows stricter norms than those prescribed by RBI.

The Capital to Risk Assets Ratio of the Company is 21.32% as on March 31, 2023, which is more than the prescribed minimum ratio of 15%.

The NCDs issued on a private placement basis are listed on NSE. Accordingly, the Company has also complied with and continues to comply with Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021. Further, SEBI vide its notification SEBI/LAD-NRO/GN/2021/47, issued on September 7, 2021, amended the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and made Regulation 15 to 27

applicable to the Debt Listed companies having an outstanding value of listed Non-Convertible debt securities of Rs. 500 crore and above on comply or explain basis till March 31, 2024. Accordingly, the aforesaid Regulations have become applicable to the Company.

OTHER DISCLOSURES:

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these matters during the year under review:

- a) issue of Equity Shares with differential rights as to dividend, voting or otherwise, sweat equity shares;
- b) provisions relating to maintenance of cost records as specified by the Central Government under section 148 of the Companies Act, 2013;
- c) proceeding pending with National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016;
- d) significant or material orders by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future; and
- e) instance of one-time settlement with any Bank or Financial Institution.

ACKNOWLEDGEMENTS:

The Board of Directors wishes to place on record their appreciation for the continued support and co-operation extended by the Securities and Exchange Board of India, Stock Exchange, Reserve Bank of India, Ministry of Corporate Affairs, government authorities, banks, and other stakeholders. Your Directors would also like to take this opportunity to express their appreciation for the dedicated efforts of the employees of the Company.

For and on behalf of the Board of Directors

Alpha Alternatives Financial Services Private Limited

(Formerly known as Provincial Finance and Leasing Co Private Limited)

Sd/-

Naresh Kothari

Director

DIN: 00012523

Sd/-

Shreyans Mehta

Director

DIN: 06756771

Place: Mumbai

Date: 18th September, 2023

MANAGEMENT DISCUSSION & ANALYSIS**THE COMPANY:**

Alpha Alternatives Financial Services Private Limited (“herein after referred as AAFSPL”) is registered as a Non-Banking Financial Company not accepting public deposits with the Reserve Bank of India. The Company is engaged in investments and not primarily involved in lending activities. The Company is a Systemically Important Non- Banking Financial Company not accepting public deposits (NBFC-ND-SI).

FINANCIAL PERFORMANCE HIGHLIGHTS:**Financial Highlights for FY23:**

A summary of our FY23 financial highlights together with FY22 financials as per Ind AS is as under:

- Total Revenue Rs. Rs.31,041.53 lakhs (Rs. 191.69 for FY22),
- Profit after Tax Rs 4,382 lakhs (Rs. 4.09 lakhs for FY22),
- Net worth (as per Ind AS) Rs. 18,764.71 lakhs (Rs. 20,800.91 lakhs at the end of FY22)

Revenue:

The Company is an NDSI, and the major revenue of the Company is represented by Investing activities.

Expenses:

Our total costs for FY23 were 25,185.89 lakhs (Rs. 186.22 lakhs in FY22). Within our total costs, operating expenses were Rs. 3400.24 lakhs in FY23 (Rs. 73.39 lakhs in FY22). Our employee expenses were Rs. 1477.83 lakhs in FY23 (Rs. 39.11 lakhs in FY22). The interest expense were Rs. 20,306.02 lakhs (Rs. 73.72 lakhs in FY22).

Profit After Tax:

Our Profit for FY23 was Rs. 4,382.14 lakhs compared to Profit after Tax of Rs. 4.09 lakhs for FY22.

Our Profit before Tax margin for FY23 was 18.86 % compared to 2.85 % for FY22. Our Profit after Tax margin for FY23 was 14.12 % compared to 5.60 % for FY22.

BALANCE SHEET MANAGEMENT:

Your Company recognizes the need for a strong and liquid balance sheet which enables us easier access to market borrowings on the back of a strong credit rating. A liquid balance sheet simultaneously enables us to redeploy capital efficiently towards business opportunities that appear at short notice.

During the year, the Company has raised borrowings from Market Linked Debentures and Non-convertible Debentures.

We continue to diversify our sources of borrowings across MLDs and NCDs etc. as well as add liabilities commensurate with our assets profile.

CAPITAL ADEQUACY RATIO:

As per the Non-Banking Financial Companies Prudential Norms stipulated by Reserve Bank, all NBFCs-ND-SI are required to maintain a minimum Capital to Risk-weighted Assets Ratio ("CRAR") of 15%. Company's total CRAR as on March 31, 2023 was 21.32 % with a Tier I Ratio of 21.32% and Tier II ratio of nil compared to 29.36%, 25.23% and 4.14% respectively as on March 31, 2022.

GLOBAL ECONOMY: REVIEW AND OUTLOOK:

Throughout the fiscal year 2022-23, the global economic landscape presented ongoing challenges. Inflation, which had its beginnings in early 2021, gained significant momentum throughout 2022. This surge in inflation, which reached levels not seen in decades in most developed nations in 2022, prompted a swift and widespread increase in policy interest rates on a global scale. While inflation peaked in most countries during the previous fiscal year and has since receded substantially, current inflation rates in the majority of nations still remain notably higher than the average for the decade before the pandemic. Consequently, many countries are continuing to implement monetary policy tightening measures. Additionally, most central banks have initiated the process of withdrawing the liquidity that was injected during the pandemic, leading to a tightening of financial markets.

Despite the fact that the actual economic growth in many countries exceeded expectations in 2022, the global growth outlook for the current and upcoming year remains restrained due to vigorous policy tightening, geopolitical uncertainties, increasing protectionism, and diminishing confidence among businesses and consumers. The latest projections from the International Monetary Fund's World Economic Outlook suggest that the global economy is unlikely to enter a recession in the current year or the following one. However, with two consecutive quarters of negative GDP growth, there is a possibility of a technical recession occurring in Europe, and potentially even in the United States. Nevertheless, according to the IMF's forecasts, the US economy is not expected to contract in terms of GDP in the current year or the subsequent one.

INDIAN ECONOMY

Capital Markets:

The Indian capital markets play a vital role in facilitating the flow of funds from individuals who save money to those who need capital, while also encouraging savings. They serve as a platform where investors can put their savings into various financial instruments to earn returns, while corporations and governments can secure the necessary funds for investments and economic growth. The advent of digitalization has brought about a significant transformation in the capital market sector, resulting in the emergence of innovative financial products and services that leverage technologies like artificial intelligence (AI), machine learning (ML), and distributed ledger technology. These advancements have deepened and increased the liquidity of the market, making it more efficient, transparent, and accessible to investors. Mobile apps and online trading platforms have further improved the customer experience. India's increasing individual participation in the capital market positions the country for economic development with a dynamic capital market. Regarding equity markets, the year 2022 witnessed challenges such as rising inflation and interest rates, central banks withdrawing liquidity, a slowdown in growth, heightened geopolitical uncertainties, and a decline in investor confidence. These challenges followed several years of generally strong performance in major equity markets. Despite relatively modest returns, the Indian stock market stood out as one of the top-performing major markets in 2022.

Due to a reduction in global investors' allocation to stocks, there was a significant outflow of capital from most major equity markets, including India, in 2022. Foreign institutional investors pulled out approximately

US\$16.5 billion from the Indian equity markets during this period. Typically, such a substantial foreign portfolio equity outflow would have triggered a sharp correction in the Indian stock market. However, sizable investments from domestic investors, especially through systematic investment plans into equity mutual fund schemes, largely balanced out the foreign portfolio equity outflow. As a result, the Indian equity market stood out as one of the few global markets that managed to generate a positive return in 2022.

Debt Market:

The Indian bond market has seen significant fluctuations in recent years. In 2020, much like in many other countries, bond yields in India dropped significantly due to extensive stimulus measures, including liquidity injections and interest rate reductions. Throughout 2021, interest rates remained relatively stable, thanks to accommodating monetary policies, minimal inflationary pressures, and reduced government borrowing in the market. However, in 2022, bond yields surged as a response to a substantial increase in inflation, aggressive tightening of monetary policies worldwide (including India), and the withdrawal of liquidity.

Fast forward to 2023, the landscape has transformed considerably. In light of a consistent decline in inflation and expectations of further easing, the Reserve Bank of India (RBI) has already implemented a rate pause. Unless an unforeseen surge in inflation occurs, it's improbable that the RBI will raise rates again this year. Furthermore, with the early May 2023 rate hike by the US Federal Reserve, it seems that the Federal Reserve has reached the peak of its rate increase cycle for the time being. This has already led to a global decline in bond yields, including in India, and this trend is anticipated to persist. Coupled with the more lenient monetary policy stance, government finances have also improved significantly, marked by substantial reductions in fiscal deficits and planned market borrowings. These developments are expected to contribute to a decrease in bond yields, potentially falling below their current levels.

OVERALL OUTLOOK:

During FY 2022-23, the foundational strengths of the nation's economy demonstrated resilience in the face of global adversities. Projections suggest that India is poised to achieve a growth rate of 6.0% in FY 2023-24. The Reserve Bank of India (RBI) forecasts Consumer Price Index (CPI) inflation to be 5.0% in Q1 of FY 2023-24 and 5.4% in Q2 of FY 2023-24, assuming normal monsoon conditions. Looking at the inflationary landscape, it is anticipated that rates will maintain a moderate trajectory, ranging between 5-6%, attributed to the government's commitment to well-calibrated monetary policies.

The government's persistent concentration on bolstering infrastructure development, complemented by increasing private investments, serves as the impetus driving the country's economic advancement. This momentum is reinforced by robust Goods and Services Tax (GST) collections and substantial foreign exchange reserves. Notably, the total gross GST collection for FY 2022-23 reaches Rs. 18.10 trillion, reflecting a remarkable 22% growth compared to the previous fiscal year, FY 2021-22. This trend is expected to persist, leading to ascending GST collections in the forthcoming years, which will, in turn, be channeled toward fostering economic progress.

GOVERNANCE:

Governance is at the heart of everything we do, and it transcends beyond compliance extending to ethics and values as well because we believe that well governed organisations tend to last longer. Governance to us means Trust covering Ethics & Integrity, Legitimacy encompassing Transparency, Authenticity and Fairness, Accountability including Decision making, responsiveness, Competence highlighting Simplicity, and above all Respect for letter and spirit of law.

Our Board plays vital role in ensuring highest Governance level within the Company by setting tone from top throughout the fabric of our organization. They set higher standards on ethics, integrity, transparency and fairness leading us to build good framework for conduct, behavior and process oversights at all levels. In order to promote good governance culture, we have self-defined rules for good behavior and conduct at individual as well as at entity levels covering issues of Conflict of Interest, dealing with sensitive information etc.

INFORMATION SECURITY AND GOVERNANCE:

In order to cater to the ever-changing landscape, the Technology function has moved away from the traditional castle-and-moat security model to Zero Trust Network Security model. This requires strict identity verification for every person and device trying to access resources on private corporate network. Further we have been able to maintain 100% regulatory and policy compliance to all our IT security controls with zero downtime.

With respect to IT Governance, we have the IT Strategy Committee and IT Steering Committee in place in conformity with the requirements of the Master Direction - Information Technology Framework for the NBFC Sector issued by the RBI. We intend to continue our focus on process standardisation and strengthen our governance practices to ensure the right balance of efficiency, risk and compliance.

INDUSTRY STRUCTURE AND DEVELOPMENTS:

Regulatory Changes: The RBI has implemented various regulatory changes to strengthen the NBFC sector and address potential risks. These changes include increased capital adequacy requirements, revised liquidity management framework, and enhanced risk management guidelines. The focus has been on improving governance, risk assessment, and monitoring mechanisms for NBFC-NDSIs.

Asset Quality and Provisioning Norms: The RBI has taken steps to enhance asset quality and provisioning norms for NBFCs. This has involved stricter recognition and classification of non-performing assets (NPAs) and implementation of provisioning requirements to ensure a prudent approach towards managing credit risk.

Governance and Corporate Culture: There has been an increased emphasis on corporate governance and the establishment of robust risk management frameworks within NBFCs. The RBI has encouraged NBFCs to adopt best practices in areas such as risk management, internal controls, and compliance to enhance overall governance and corporate culture.

Technology Adoption: The NBFC-NDSI sector has seen a growing focus on technology adoption to improve operational efficiency, risk management, and customer experience. Many NBFCs have implemented digital lending platforms, advanced analytics, and automated processes to streamline operations, enhance underwriting practices, and offer innovative financial products and services.

Stress Testing and Risk Mitigation: The RBI has emphasized the importance of stress testing for NBFC-NDSIs to assess their resilience and identify potential risks. Stress testing helps evaluate the impact of adverse scenarios on the financial position of NBFCs and enables them to take necessary risk mitigation measures.

OPPORTUNITIES AND THREATS:

Opportunities:

- Increase in Income levels will aid greater penetration of financial products.
- Positive regulatory reforms.

- Increase in corporate growth & risk appetite.
- Greater efficiency in debt market operations will also help greater penetration.
- Increased securitization.
- Focus on selling new product/services.

Threats:

- Inflation could trigger increase in consumer price inflation, which would dampen growth.
- Increased competition in both local & overseas markets.
- Unfavorable economic development.
- Market risk arising from changes in the value of financial instruments as a result of changes in market variables like interest rate and exchange rates.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:

The company has only one segment line of business. Hence, this head does apply to our company.

RISKS AND CONCERNS:

Management of risk to the business is continuous challenge for any organization growing in size and enhancing its purpose. The traditional risk factors like client risks, industry segment risks and economic risk are well understood and the means to handle them are also fairly established.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

Management relations with the employees remains cordial. The Company's Human Resources philosophy is to establish and build a strong performance and competency drive culture with greater senses of accountability and responsibility.

DISCLOSURE OF ACCOUNTING TREATMENT:

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (IND AS) comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013 ("the 2013 Act") and the relevant provisions of the 2013 Act, as applicable. The financial statements have been prepared on going concern basis under the historical cost convention on accrual basis. The Company has continued with the period of 1st day of April to 31st day of March, each year as its financial year for the purpose of preparation of financial statements under the provisions of Section 2(41) of the Companies Act, 2013.

ANALYSIS OF SIGNIFICANT CHANGES IN FINANCIAL RATIOS:

The details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios along with detailed explanations is as follows:

Sr. No.	Particulars	2023	2022	Change in %	Reasons for change
1	Debtors Turnover	-	-	NA	NA
2	Inventory Turnover	-	-	NA	NA
3	Interest Coverage Ratio	-	-	NA	NA
4	Current Ratio	-	-	NA	NA

5	Debt Equity Ratio (as per Ind AS)	7.69	3.43	124%	Due to increase in issue of MLDs and CCPS during FY 2022-23
6	Operating Profit Margin	-	-	NA	NA
7	Net Profit Margin	14%	2.13%		Due to current year being first year of operations

Further, Return on Net Worth is 23.35% at the end of FY23 compared to 0.02% at the end of FY22. *The reason for such change is that FY 2022-23 was the first year of operations for AAFSPL. Significant increase in debt raised during the year led to increase in profitability of the company.*

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, cash and cash equivalents, financial assets measured at amortized cost.	Credit worthiness of Borrower, 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	Portfolio diversification, assessments of fluctuation in the equity price, Hedging
(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

c. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – 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, 2023.

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.

INTERNAL CONTROL:

We have established an adequate internal control mechanism to safeguard all our assets and ensure operational excellence. The mechanism also meticulously records all transaction details and ensures regulatory compliance. We have multiple policy frameworks to ensure adequate controls on business processes. Further, Risk and Control dashboards have been defined and are periodically updated for all important operational processes. At periodic intervals, the management team and statutory auditors ensure that the defined controls are operative. We have a dedicated team of internal auditors to conduct an internal audit. Every year, this team defines the audit agenda for the year, which is implemented after approval from the Audit Committee. Reputed audit firms also ensure that all transactions are correctly authorised and reported following the relevant regulatory framework. The reports are reviewed by the Audit Committee of the Board. Wherever necessary, internal control systems are strengthened, and corrective actions are initiated.

CAUTIONARY STATEMENT:

Statements in the Management Discussion and Analysis describing the Company's objectives, expectations, predictions and assumptions may be "FORWARD LOOKING" within the meaning of applicable Laws and Regulations. Actual results may differ materially from those expressed herein, important factors that could influence the Company's operations include domestic economic Conditions affecting demand, supply, price conditions, and change in Government's regulations, tax regimes, other statutes and other factors such as industrial relations.

CORPORATE GOVERNANCE REPORT**I. Company's Philosophy on Corporate Governance:**

The Company recognises its role as a corporate citizen and endeavours to adopt the best practices and the highest standards of corporate governance through transparency in business ethics, accountability to its investors, regulators, lenders and other stakeholders. The Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to better these practices by adopting best practices.

The Company believes that governance practices enable the Management to direct and control the affairs of the Company in an efficient manner and to achieve the Company's goal of maximising value for all its stakeholders. The Company will continue to focus its resources, strengths and strategies to achieve its vision, while upholding the core values of transparency, integrity, honesty and accountability, which are fundamental to company.

II. Board of Directors:**Composition, Meeting and Attendance:**

The composition of the Board of Directors (the "Board") of the Company is in conformity with the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the Companies Act, 2013 (the "Act").

As on March 31, 2023, the Company has 4 (four) Directors. Out of the 4 (four), 2 (two) are Non-Executive Independent Directors; 1 (one) is Non-Executive Non-Independent Director and 1 (one) is an Executive Non-Independent Director. The profile of the Directors can be found on the Company's website <https://www.fin.alt-alpha.com/board-of-directors>

The agenda for the Board Meetings are circulated in advance and is backed by comprehensive background information to enable the Board to take informed discussions. During the financial year 2022-23, the Board met 14 (Fourteen) times i.e. on April 22, 2022, May 27, 2022, May 30, 2022, August 3, 2022, August 10, 2022, August 19, 2022, August 24, 2022, September 08, 2022, September 29, 2022, November 11, 2022, February 06, 2023, March 18, 2023, March 24, 2023 and March 30, 2023. The necessary quorum was present for all the meetings.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairpersonships / Memberships held by them in other public limited companies as on March 31, 2023 and list of core skills / expertise / competencies identified by the Board of Directors are as under:

Name and DIN of the Directors	Category	No. of Board Meetings attended	Number of Directorships in other Companies	Name of other Listed entities where person is Director - Category of Directorship	Committee positions (including the Company) [§]		Whether attended last AGM held on 30.09.2022
					Member	Chairperson	
Mr. Naresh Kothari DIN:00012523	Non-Executive Director	14	3 - Public Companies 1 - Other	1. Black Box Limited (Non-executive Director) 2. B L Kashyap And Sons Limited (Non-executive Director)	2	1	Yes
Mr. Shreyans Mehta DIN:06756771	Executive Director	14	1 - Other	--	1	--	Yes
Mr. Pradeep Parakh [^] DIN:00008805	Non-Executive Independent Director	5	3 - Others	--	1	1	No
Mrs. Bharati Aindley [^] DIN:09750519	Non-Executive Women Independent Director	4	--	--	2	--	No

[§] Only Audit Committee and Stakeholders' Relation Committee, in public listed companies, have been considered for the Committee position.

[^] Appointed as Director w.e.f. 29.09.2022

None of the Directors are related to each other. None of the Directors hold any shares or convertible instruments of the Company. Web link where familiarization program for Independent Directors has been disclosed: <https://www.fin.alt-alpha.com/policies-codes>

None of the Directors on the Board hold Directorships in more than 7 (seven) equity listed companies. Further, none of the Independent Directors ("IDs") of the Company serves as an ID in more than 7 (seven) equity listed companies. None of the IDs serve as a whole-time director/managing director in any listed entity. None of the Directors holds directorship in more than 20 (twenty) Indian companies, with not more than 10 (ten) public limited companies. None of the Directors is a member of more than 10 committees or acts as chairperson of more than 5 committees (being Audit Committee and Stakeholder Relationship Committee), as per Regulation 26(1) of the Listing Regulations across all the public limited companies in which he/she is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2023, have been made by the Directors.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Companies Act, 2013 (“Act”) along with rules framed thereunder. In terms of Regulation 25(8) of the Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act and that they are independent of the management. Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

All the directors of the Company have confirmed that they are not disqualified for being appointed as directors pursuant to Section 164 of the Act.

M/s. Sahani & Kothari Associates, Practicing Company Secretaries, have issued a certificate certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, the Ministry of Corporate Affairs and any such statutory authority.

During FY 2022-23, 1 (one) meeting of the Independent Directors was held on March 18, 2023, wherein both the Independent Directors attended the meeting. The Independent Directors, inter alia, reviewed the performance of Non-Independent Directors, Board as a whole and Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors.

Board skills/expertise/competence matrix:

The Board have identified the following parameters with respect to the skill/expertise/competence that are available with the Board in the context of the business and sector for it to function effectively:

Directors	Industry Knowledge/ Experience			Technical Skills/ Experience						Behavioral Competencies	
	Financial and Capital Markets	Understanding of laws and regulations	International experience	Accounting and Finance	Risk Management	Strategic Management	Legal and Compliance	Information Technology	Governance	Leadership and Mentoring Skills	Interpersonal Relations
Mr. Naresh Kothari	•	•	•	•	•	•	•	•	•	•	•
Mr. Shreyans Mehta	•	•	•	•	•	•	•	•	•	•	•
Mr. Pradeep Parakh	•	•	X	•	x	x	•	•	•	•	•
Mrs. Bharati Aindley	•	•	x	•	x	x	•	•	•	•	•

III. Audit Committee:Composition, Meetings and Attendance

During FY 2022-23, the Committee met 2 (Two) times on: November 11, 2022 and February 6, 2023.

The composition of the Audit Committee as on March 31, 2023 and the attendance during the year ended March 31, 2023 is as below:

Name of the Member(s)	Category	Number of Meetings	
		Held	Attended
Mr. Pradeep Parakh	Independent Director - Chairperson	2	2
Mrs. Bharti Aindley	Independent Director	2	2
Mr. Shreyans Mehta	Executive Director	2	2

All the members have financial management expertise. The constitution and terms of reference of the Committee are in compliance with the requirements of the Act and the Listing Regulations.

The terms of reference of the Audit Committee are as follows:

A. The role of the Audit Committee shall include the following:

- (1) oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (3) examination of the financial statement and the auditors' report thereon;
- (4) monitoring the end use of funds raised through public offers and related matters, if any;
- (5) approval of payment to the statutory auditors for any other services rendered by the statutory auditors;
- (6) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) changes, if any, in accounting policies and practices and reasons for the same;
 - (c) major accounting entries involving estimates based on the exercise of judgment by management;

- (d) significant adjustments made in the financial statements arising out of audit findings;
 - (e) compliance with listing and other legal requirements relating to financial statements;
 - (f) disclosure of any related party transactions; and
 - (g) modified opinion(s) in the draft audit report;
- (7) reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
 - (8) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
 - (9) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
 - (10) approval or any subsequent modification of transactions of the listed entity with related parties;
 - (11) scrutiny of inter-corporate loans and investments;
 - (12) valuation of undertakings or assets of the listed entity, wherever it is necessary;
 - (13) evaluation of internal financial controls and risk management systems;
 - (14) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - (15) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - (16) discussion with internal auditors of any significant findings and follow up there on;
 - (17) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 - (18) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

- (19) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (20) to review the functioning of the Whistle Blower Mechanism;
- (21) approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- (22) Carrying out any other function as is mentioned in the terms of reference of the audit committee;
- (23) reviewing the utilization of loans and / or advances from / investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
- (24) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

B. The Audit Committee shall mandatorily review the following:

- (25) review the management discussion and analysis of financial condition and results of operations;
- (26) statement of significant (material) related party transactions (as defined by the audit committee), submitted by management;
- (27) management letters / letters of internal control weaknesses issued by the statutory auditors;
- (28) internal audit reports relating to internal control weaknesses;
- (29) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
- (30) statement of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1); and
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

The Auditors and Internal Auditors are invited to attend the meetings of the Committee. The Company Secretary acts as the Secretary to the Committee.

IV. Nomination and Remuneration Committee:Composition, Meetings and Attendance

During FY 2022-23, the Committee met 1 (One) time on: February 6, 2023.

The composition of the Nomination and Remuneration Committee as on March 31, 2023, and the attendance during the year ended March 31, 2023, is as below:

Name of the Member(s)	Category	Number of Meetings	
		Held	Attended
Mrs. Bharti Aindley	Independent Director - Chairperson	1	1
Mr. Pradeep Parakh	Independent Director	1	1
Mr. Naresh Kothari	Non-Executive Director	1	1

The terms of reference of the Nomination and Remuneration Committee are as follows:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel, and other employees;
2. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge, and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates.
3. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
4. Devising a policy on diversity of Board of Directors;
5. Identifying persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal and shall carry out evaluation of every Director 's performance;
6. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of independent Directors;
7. Recommend to the Board, all remuneration, in whatever form, payable to Senior

Management;

8. To act as the Compensation Committee under the applicable SEBI (Share Based Employee Benefits and Sweat Equity), Regulations, 2021 and any statutory amendment or modification thereto;
9. To ensure 'fit and proper' status of proposed/existing directors as required; and
10. To perform such other functions as may be prescribed by the Board of Directors from time to time.

The Company has formulated a Board Evaluation Policy which *inter-alia* includes performance evaluation of the Independent Directors.

Board Evaluation:

During the year, in accordance with the Board Evaluation Policy, an annual evaluation of its own performance and that of the Committees and Directors pursuant to the provisions of the Act was carried out by the Board on various parameters which *inter alia* included composition, effectiveness, quality of discussion, contribution at the meetings, business acumen, strategic thinking, time commitment, corporate governance practices, contribution of the Committees etc.

A separate meeting of the Independent Directors was held wherein the performance of the Non-Independent Directors, performance of the Board as a whole (including the Committees) and also that of the Chairman in terms of the provisions of the Act was discussed.

Familiarisation Programme:

The Board members are provided with necessary information, documents, reports and internal policies to familiarise them with the Company's procedures and practices.

Presentations at regular intervals are made by the senior management, covering areas like operations, business environment, budget, strategy and risks involved. Updates on relevant statutory, regulatory changes encompassing important laws/ regulations applicable to the Company are presented to Directors. The Independent Directors are familiarised with their roles, rights, responsibilities etc. in relation to the nature of the financial services sector and the business model of the Company. The details are uploaded on the website of the Company at: <https://www.fin.alpha.com/policies-codes>.

V. Stakeholder Relationship Committee:

Composition, Meetings and Attendance

During FY 2022-23, the Committee met 1 (One) time on: February 6, 2023.

The composition of the Stakeholder Relationship as on March 31, 2023, and the attendance during the year ended March 31, 2023, is as below:

Name of the Member(s)	Category	Number of Meetings	
		Held	Attended
Mr. Naresh Kothari	Non-Executive Director - Chairperson	1	1

Mrs. Bharti Aindley	Independent Director	1	1
Mr. Pradeep Parakh	Independent Director	1	1

Ms. Rupali Maini is the Company Secretary and Compliance Officer of the Company.

The Company's Equity shares are not listed on any stock exchange. The Company has listed its debentures on the National Stock Exchange, and it has not received any complaints or concerns from the debenture holders in relation to the debentures it has issued.

The terms of reference of the Stakeholder Relationship Committee are as follows:

1. To specifically look into the redressal of grievances of shareholders, debenture holders and other securities holders.
2. To consider and resolve the grievances of the securities holders of the Company including complaints related to transfer/transmission of shares, non-receipt of Annual report, non-receipt of declared dividends. Issue of new/duplicate certificates, general meeting etc.
3. To act in terms of any consequent statutory modification(s)/amendment(s)/revision(s) to any of the applicable provisions to the said Committee.
4. Review measures taken for effective exercise of voting rights by shareholders.
5. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent.
6. Review various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the security shareholders of the entity.

VI. Risk Management Committee:

Composition, Meetings and Attendance

During FY 2022-23, the Committee met 2 (Two) time on: February 6, 2023 and March 18, 2023.

The composition of the Risk Management Committee as on March 31, 2023 and the attendance during the year ended March 31, 2023 is as below:

Name of the Member(s)	Category	Number of Meetings	
		Held	Attended
Mr. Shreyans Mehta	Executive Director - Chairperson	2	2
Mr. Naresh Kothari	Non-Executive Director	2	2
Mr. Pradeep Parakh	Independent Director	2	2

The terms of reference of the Risk Management Committee are as follows:

1. To lay down procedures regarding managing and mitigating the risk through Integrated Risk Management Systems, Strategies and Mechanisms.
2. To deal with issues relating to credit policies and procedure and manage the credit risk, operational risk, management of policies and process.
3. 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.
4. To monitor the progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the NBFC.
5. Promoting an enterprise risk management competence throughout the organisation, including facilitating development of IT-related enterprise risk management expertise.
6. Establishing a common risk management language that includes measures around likelihood and impact and risk categories.
7. To evaluate and oversee the liquidity risk of the Company.
8. 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 Company.
9. 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) Policies.
10. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
11. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.
12. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
13. To institute effective governance mechanism and risk management process for all outsourced operations/activities.
14. 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.

VII. Remuneration of Directors:

The Company pays sitting fees to the Independent Directors for attending the meetings of the Board and the Committees thereof.

The details sitting fees paid to Independent Directors during the financial year ended March 31, 2023, are as under:

Sitting Fees paid for attending Board and Committee Meetings held during FY 2022-2023:

Rs. 2,90,000/-

During the financial year 2022-23, no remuneration or commission or bonus or pension was paid to any directors of the Company, except sitting fees paid to Independent Directors. Severance fees and stock option – Not Applicable.

The Remuneration Policy of the Company which, inter alia, lays down the criteria of making payments to non-executive directors is available on the website of Company at <https://www.fin.alt-alpha.com/policies-codes>

VIII. General body meetings:

The date and venue of the last three AGMs are given below:

Financial Year	Date	Venue	Special Resolutions passed
2021-22	September 30, 2022	34th Floor, Sunshine Tower, Senapati Bapat Marg Near Kamgar Krida Maidan, Dadar (West), Mumbai - 400013	Nil
2020-21	November 30, 2021	34th Floor, Sunshine Tower, Senapati Bapat Marg Near Kamgar Krida Maidan, Dadar (West), Mumbai - 400013	Nil
2019-20	December 31, 2020	34th Floor, Sunshine Tower, Senapati Bapat Marg Near Kamgar Krida Maidan, Dadar (West), Mumbai - 400013	Nil

Further, no special resolution was passed last year through postal ballot nor any special resolution is proposed to be conducted through postal ballot.

IX. Means of Communication:

The 'Investor Information' section on the Company's website (www.fin.alt-alpha.com) keeps the investors updated on material developments in the Company by providing key and timely information such as Financial Results, Annual Reports, Contact details of persons responsible for investor grievances, etc. The debenture holders can also send in their queries / complaints at the designated email address: compliance@alt-alpha.com. The Financial Results are also published in the newspapers.

IX. General Shareholder Information:

a. Date, Time, Venue of AGM:

i.	AGM: Date, time and venue:	Friday, September 29, 2023 at 10:00 a.m. at the registered office of the Company at 34th Floor, Sunshine Tower, Senapati Bapat Marg Near Kamgar Krida Maidan, Dadar (West), Mumbai – 400013.
ii.	Financial Year	April 1, 2022 to March 31, 2023
iii.	Dividend Payment Date	N.A.

b. Listing of Securities on Stock Exchanges:

The Company has issued Non-Convertible Debentures (“NCDs”) on private placement. The NCDs are listed on National Stock Exchange of India Limited.

Name of the Stock Exchange	Address of the Stock Exchange	Company’s Scrip Code
National Stock Exchange of India Limited (“NSE”)	Exchange Plaza, C-1, Block G, Bandra Kurla Complex Bandra (East), Mumbai - 400051	PFLP25

The Company has paid the listing fees to NSE for the financial year 2022-23.

- c. Market price data- high, low during each month in last financial year:** Not applicable.
- d. Performance in comparison to broad-based indices such as BSE sensx, CRISIL Index etc.:** Not applicable.
- e. In case the securities are suspended from trading, the directors report shall explain the reason thereof:** Not applicable.
- f. Debenture Trustee and Registrar to an issue and share transfer agents:**

Debenture Trustee:

The details of the Debenture Trustees for the NCDs issued by the Company are given below:

MITCON Credentia Trusteeship Services Limited

1402/1403 Dalamal Tower, Free Press Journal Marg, 211, Nariman Point, Mumbai – 400021.

Website: www.mitcontrustee.com Tel: +91 022-2282-8200

e-mail: mitcontrustee@mitconindia.com

Registrar & Share Transfer Agent:

The details of the Registrar & Share Transfer Agent for the NCDs issued by the Company are given below:

Link Intime India Private Limited

247 Park, C-101 1st Floor, LBS Marg Vikhroli West, Mumbai -400083

Website: www.linkintime.co.in Tel: +91 022-4918-6000,
e-mail: mumbai@linkintime.co.in

- g. Share Transfer System:** The equity shares of the Company are not listed on any stock exchanges and are held in physical mode. Further, the listed NCDs issued by the Company are 100% held in demat mode.
- h. Distribution of shareholding:**

Shareholding Pattern as on March 31, 2023:

Sr. No.	Name of Equity Shareholders	Shareholding	
		Number	Percentage
1.	Alpha Alternatives Holdings Private Limited	1,45,61,387	100%
2.	Naresh Kothari (<i>Nominee of Alpha Alternatives Holdings Private Limited</i>)	1	--
	Total...	1,45,61,388	100.00%

- i. Dematerialization of shares:** The equity shares of the Company are not listed on any stock exchanges and are held in physical mode. Further, the listed NCDs issued by the Company are 100% held in demat mode.
- j. Outstanding GDRs/ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity:** The Company has not issued GDRs/ADRs/ Warrants or any other instrument convertible into equity.
- k. Details of equity shares lying in the suspense account pursuant to the Listing Regulations:** Not Applicable.
- l. Plant locations:** Not Applicable.
- m. Credit ratings:**

The credit ratings obtained by the Company during the year 2022-23 are as under:

Nature of Securities	Rating Agency	Credit Rating	Date of revision (if any)	Revised Rating
Market Linked Debentures	Acuité Ratings & Research Limited	ACUITE PP-MLD BB+	-	-

- n. Other Disclosures:**
- i.** The Company did not enter into any materially significant related party transactions having a potential conflict with the interest of the Company at large. Transactions with the related parties are disclosed in the financial statements.
- ii.** Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:

Regulation/ Circular No.	Details of Violation	Fine Amount (in Rs.)
Reg 52(7)/(7A) of SEBI LODR	The Company has delayed in filing the Statement indicating the utilization of issue proceeds of non-convertible securities for the quarter ended March 31, 2022, by 7 days.	7,000
Reg 50(1) of SEBI LODR	The Company has delayed in filing the intimation by 1 day, w.r.t. Board Meeting for approval of audited Financial Statements for the quarter and year ended March 31, 2022.	5,000
Reg 54(2)/(3) of SEBI LODR	The Company has delayed in filing the Asset Cover Certificate issued by the Statutory Auditors for March 31, 2022 by 1 day.	1,000
Regulation 51(2) read with Part B of Schedule III of SEBI LODR	The Company has delayed in filing the outcome of the Board Meeting dated May 30, 2022 by ~3 hours and 30 minutes regarding approval of the Audited Financial Results for the quarter and year ended March 31, 2022.	--
Regulation 13(3) of the SEBI LODR	The Company has delayed in filing the NIL Statement of Investor Complaints for the Quarter ended March 31, 2022, by a period of 8 days.	--
Regulation 54(2) of the SEBI LODR	The Company has filed the Security Cover Certificate. However, In the intimation filed with the Stock Exchange dated August 10, 2022, the Company has not disclosed the details as required under Regulation 54(2).	--
Regulation 57(4) of the SEBI LODR	The Company has delayed in filing the intimation under Regulation 57(4) regarding NIL Interest / Principle amount to Debenture Holders payable during the Quarter ending September 30, 2022, by a period of 4 days.	--
Reg 60 (2) of SEBI LODR	The Company has delayed in filing the intimation under Regulation 60(2) regarding record date for redemption of Debentures filed on March 20, 2023, by 4 days.	--

- iii. The Company has a Whistle Blower Policy/ Vigil Mechanism to report concerns about unethical behaviour, actual or suspected fraud or violation of our code of conduct and confirms that no personnel have been denied access to the Audit Committee.
- iv. The Company has complied with the requisite requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- v. Web link where policy for determining 'material' subsidiaries is disclosed: **Not Applicable**
- vi. The Policy on Related Party Transactions is available at: <https://www.fin.alt-alpha.com/policies-codes>.
- vii. Disclosure of commodity price risks and commodity hedging activities: **Not applicable**
- viii. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):- **Not Applicable**
- ix. Certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority is enclosed as **Annexure A**.
- x. There have been no instances where the Board has not accepted recommendation of any Committee of the Board, during the financial year.
- xi. **Total fees for all services paid by the listed entity to the statutory auditor:** The details of fees paid to M/s Ambavat Jain & Associates LLP, Chartered Accountants are as below:

Particulars	Amount (in lakhs)
Audit Fees	7.65
Certification and other services	3.60
Total	11.25

(The above payments exclude out-of-pocket, travelling expenses and Goods and Service tax.)

Further, no fees were paid to any entity in the network firm/network entity of which the Statutory Auditor is a part.

- xii. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
 - a. Number of complaints filed during the Financial Year: Nil
 - b. Number of complaints disposed of during the Financial Year: Nil
 - c. Number of complaints pending as on end of the Financial Year: Nil.

- xiii. Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount'- **Not Applicable.**
- xiv. Details of material subsidiaries of the listed entity: **Not Applicable.**
- xv. Non-compliance of any requirement of corporate governance report:

Related Party Transactions (“RPTs”):

In terms of Regulation 23(4) of the SEBI Listing Regulations, all material RPTs require approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not. In this connection, it is submitted that the Company is a wholly owned subsidiary of Alpha Alternatives Holdings Private Limited. Accordingly, Alpha Alternatives Holdings Private Limited is a related party of the Company and hence the requirement of only unrelated shareholders voting to approve material RPTs cannot be met. Hence, owing to the impossibility of complying with this voting requirement, the shareholders' approval could not be sought for the material RPTs entered into by the Company during FY 2022-23.

- xvi. With respect to the discretionary requirements as specified in Part E of Schedule II:

The Company has not reimbursed expenses incurred by a non-executive chairperson for the performance of his duties.

The Auditors of the Company have issued an unmodified opinion/ audit report in respect of the financial results/financial statements.

The Company has appointed separate persons to act as the Chairperson and Managing Director & Chief Executive Officer. Further, the Chairperson of the Board is a Non-Executive Independent director and the Chairperson is not related to the Managing Director & Chief Executive Officer of the Company as per the definition of the term "relative" defined under the Companies Act, 2013.

The Internal Auditor of the Company directly reports to the Audit Committee of the Board.

- o. As on March 31, 2023, the Company is in compliance with all the mandatory requirements specified in Regulation 17 to 27 of the Listing Regulations except Regulations 17(1)(b) and 23 which have been made applicable to the Company as a High Value Debt Listed Entity effective September 7, 2021, on a 'comply or explain' basis until March 31, 2024. The Company has been providing the necessary explanation in the quarterly compliance report on Corporate Governance submitted to the Stock Exchanges.

- X. **Declaration signed by the director stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management:**

The Company has adopted a Code of Conduct for its employees. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website <https://www.fin.alt-alpha.com/policies-codes>

All the Directors of the Board and Senior Management Personnel of the Company have affirmed compliance with the respective Codes. A declaration signed by the Director to this effect is enclosed as **Annexure B**.

XI. Compliance Certificate:

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate issued by M/s. Sahani & Kothari Associates, Practicing Company Secretaries, certifying the compliance by the Company with the provisions of the Corporate Governance is enclosed as **Annexure C**.

XII. Address for correspondence:

For any assistance, request or instruction regarding transfer or transmission of securities, dematerialisation of securities, change of address, non-receipt of annual report and any other query relating to the securities of the Company, the investors may write to:

Company Secretary	Debenture Trustee	Registrar & Transfer Agent
Alpha Alternatives Financial Services Private Limited	MITCON Credentia Trusteeship Services Limited	Link Intime India Private Limited
34th Floor, Sunshine Tower, Senapati Bapat Marg, Dadar West, Mumbai – 400013	247 Park, C-101 1st Floor, LBS Marg Vikhroli West, Mumbai -400083	247 Park, C-101 1st Floor, LBS Marg Vikhroli West, Mumbai -400083
Email: rupali.maini@alt-alpha.com	Tel.: 022-2282-8200	Tel: +91 2249186000 Fax: +91 2249186060
	Website: https://mitconcredentia.in/	Website: www.linkintime.co.in
	Email: contact@mitconcredentia.in	Email: mumbai@linkintime.co.in
	Contact Person: Ms. Vaishali Urkude	Contact Person: Ganesh Jadhav

Annexure A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Alpha Alternatives Financial Services Private Limited
(Formerly known as Provincial Finance and Leasing Co Private Limited)
34th Floor, Sunshine Tower,
Senapati Bapat Marg, Dadar (W),
Mumbai - 400 013.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Alpha Alternatives Financial Services Private Limited** (Formerly known as Provincial Finance and Leasing Co Private Limited) having CIN U65923MH1993PTC075162 and having its registered office at 34th Floor, Sunshine Tower, Senapati Bapat Marg Near Kamgar Krida Maidan, Dadar (West), Mumbai - 400013 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) read with SEBI letter dated September 23, 2021.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal of the Ministry of Corporate Affairs i.e. www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of Appointment in the Company
1.	Shreyans Mehta	06756771	19-Jan-2019
2.	Naresh Kothari	00012523	19-Jan-2019
3.	Pradeep Kumar Parakh	00008805	29-Sep-2022
4.	Bharati Aindley	09750519	29-Sep-2022

Ensuring the eligibility of the appointment / continuity of every Director on the Board, is the responsibility of the management of the Company. Our responsibility is to express an opinion on these, based on our verification. This certificate is valid as on the date of issue and is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **M/s. SAHANI & KOTHARI ASSOCIATES**

Company Secretaries

"A Peer Reviewed Unit"

ICSI Unique Code: P2016MH056500

SD/-

Kirti Kothari

Partner

Mem. No. F12007

COP: 17287

Place: Mumbai

UDIN: F012007E001033544

Date: September 18, 2023

Annexure B

DECLARATION BY THE DIRECTOR UNDER SEBI LODR

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all the Directors of the Board and Senior Management Personnel of the Company have affirmed compliance to the Code of Conduct for the financial year ended March 31, 2023.

For and on behalf of the Board of Directors

Alpha Alternatives Financial Services Private Limited

(Formerly known as Provincial Finance and Leasing Co Private Limited)

Sd/-

Shreyans Mehta

Director

DIN:06756771

Place: Mumbai

Date: 18th September, 2023

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

[Pursuant to Schedule V Para E of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Alpha Alternatives Financial Services Private Limited
(Formerly known as Provincial Finance and Leasing Co Private Limited)
34th Floor, Sunshine Tower,
Senapati Bapat Marg, Dadar (W),
Mumbai - 400 013.

We have examined the compliance with the conditions of Corporate Governance of **Alpha Alternatives Financial Services Private Limited** *(Formerly known as Provincial Finance and Leasing Co Private Limited)* ("the Company") for the year ended on March 31, 2023, as prescribed in the Regulations 17 to 27, 62(1A), and Para C, D and E of Schedule V of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance, as specified in the aforesaid provisions of the Listing Regulations. The compliance of conditions of Corporate Governance is the responsibility of the Management.

Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **M/s. SAHANI & KOTHARI ASSOCIATES**
Company Secretaries
"A Peer Reviewed Unit"
ICSI Unique Code: P2016MH056500

SD/-

Kirti Kothari
Partner

Mem. No. F12007
COP: 17287

Place: Mumbai
Date: September 18, 2023

UDIN: F012007E001033533

Annexure II

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: Not Applicable
2. Details of material contracts or arrangement or transactions at arm's length basis:

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any (Amount in Lakhs)	Date(s) of approval by the Board / Audit Committee	Amount paid as advances, if any
1	Alpha Alternatives Holdings Private Limited	Business support charges paid	One Year	131.70	May 30, 2022	Not Applicable

For and on behalf of the Board of Directors
Alpha Alternatives Financial Services Private Limited
(Formerly known as Provincial Finance and Leasing Co Private Limited)

Sd/-
Naresh Kothari
Director
DIN: 00012523

Sd/-
Shreyans Mehta
Director
DIN: 06756771

REMUNERATION POLICY

I. Objective:

- The Companies Act, 2013 ('the Act') requires a Company to frame policy for determining the remuneration payable to the Directors, Key Managerial Personnel (KMPs) and other employees.
- The objective of the Remuneration Policy (the Policy) of the Company is to provide a framework for the remuneration of the Independent Directors, Non-executive Directors, Managing Director/Executive Directors, KMPs, and other senior level employees of the Company.

II. Remuneration Principles:

The remuneration principles are designed to attract and retain to the Company's management persons that possess relevant skills, industry knowledge and experience to oversee the Company's achievement of its performance and strategy goals with emphasis on long-term shareholder value creation.

The structure of the total remuneration should be aligned with the long-term value, the business strategy, financial results as well as to the employee's contribution.

The Policy is designed to ensure that:

- Remuneration is reasonable and sufficient to attract and retain the right talent
- There is balance between fixed and variable pay in the remuneration to the Directors, KMPs and senior management
- Remuneration structure and composition is well-aligned to company's short-term objectives and long-term goals

III. Remuneration of the Managing Director & Executive Directors

- The remuneration of the Managing Director/Executive Directors is recommended by the Nomination and Remuneration Committee ('NRC') to the Board. Based on the recommendations of the NRC, the Board determines and approves the remuneration of the Managing Director/Executive Directors, subject to necessary approvals, if any.
- The remuneration paid to the Managing Director/Executive Directors is within the limits prescribed under the Act and approved by the shareholders of the Company. The remuneration structure includes fixed (comprising of Basic Salary, HRA, contribution to Funds and other allowances as permitted), and performance linked bonus.

- They shall be eligible for stock options of the company or of the parent company.

IV. Remuneration of the KMP (other than Executive Directors) & Senior level employees

- The key components of remuneration package of the KMP (other than Executive Directors) and Senior level employees shall comprise of fixed salary (comprising of Basic Salary, HRA, contribution to Funds and other allowances as permitted), and performance linked bonus.
- They shall be eligible for stock options of the company or of the parent company.

V. Remuneration of the Independent Directors & Non-Executive Directors

- The Independent Directors & Non-executive Directors are eligible for sitting fees for attending the meetings of the Board and the Committees thereof.
- Reimbursement of expenses shall be done for Independent Directors & Non-executive Directors.

VI. Deviation from the Policy

Any deviation from the policy shall require prior approval from the board and the reasons for deviation shall be well-documented.

VII. Policy Review

The Policy may be amended as may be necessary. The NRC shall implement the Policy, and may issue such guidelines, procedures etc. as it may deem fit.

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Alpha Alternatives Financial Services Private Limited
(Formerly known as Provincial Finance and Leasing Co Private Limited)
34th Floor, Sunshine Tower,
Senapati Bapat Marg, Dadar (W),
Mumbai - 400 013.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Alpha Alternatives Financial Services Private Limited** *(Formerly known as Provincial Finance and Leasing Co Private Limited)* (CIN: U65923MH1993PTC075162) having its registered office at 34th Floor, Sunshine Tower, Senapati Bapat Marg, Near Kamgar Krida Maidan, Dadar (West), Mumbai – 400 013 (hereinafter called the “Company”) for the Financial Year ended on March 31, 2023 (the “Audit Period”). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the Audit Period complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023, according to the provisions of:

- (i) The Companies Act, 2013 (the “Act”) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings¹;

¹ Not applicable to the Company during the audit period

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“SEBI Act”):
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011²;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009³;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014⁴;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013⁵;
 - (f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021⁶;
 - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018⁷; and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”) in respect of Non-Convertible Debentures of the Company issued by the Company on a private placement basis and listed on National Stock Exchange of India Limited (the “Stock Exchange”).
- (vi) The Reserve Bank of India Act, 1934 and the Circular(s), Master Direction(s), Notification(s) and Regulation(s) issued by the Reserve Bank of India as applicable to Non-Banking Financial Company - Systemically Important Non-Deposit taking Company, being laws that are specifically applicable to the Company based on their sector/industry.

We have also examined compliance with the applicable clauses of the Secretarial Standard issued by The Institute of Company Secretaries of India related to meetings and minutes.

² Not applicable to the Company during the audit period

³ Not applicable to the Company during the audit period

⁴ Not applicable to the Company during the audit period

⁵ Not applicable to the Company during the audit period

⁶ Not applicable to the Company during the audit period

⁷ Not applicable to the Company during the audit period

During the Audit Period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above and in respect of the laws specifically applicable (to the extent applicable) to the Company based on its sector/industry, in so far as registration, submission of various returns/information to be filed with the respective authorities **except:**

(i) delay in intimation to the Stock Exchange with respect to the below mentioned disclosures under SEBI LODR:

Regulation/ Circular No.	Details of Violation	Fine Amount (in Rs.)
Reg 52(7)/(7A) of SEBI LODR	The Company has delayed in filing the Statement indicating the utilization of issue proceeds of non-convertible securities for the quarter ended March 31, 2022, by 7 days.	7,000
Reg 50(1) of SEBI LODR	The Company has delayed in filing the intimation by 1 day, w.r.t. Board Meeting for approval of audited Financial Statements for the quarter and year ended March 31, 2022.	5,000
Reg 54(2)/(3) of SEBI LODR	The Company has delayed in filing the Asset Cover Certificate issued by the Statutory Auditors for March 31, 2022 by 1 day.	1,000
Regulation 51(2) read with Part B of Schedule III of SEBI LODR	The Company has delayed in filing the outcome of the Board Meeting dated May 30, 2022 by ~3 hours and 30 minutes regarding approval of the Audited Financial Results for the quarter and year ended March 31, 2022.	--
Regulation 13(3) of the SEBI LODR	The Company has delayed in filing the NIL Statement of Investor Complaints for the Quarter ended March 31, 2022, by a period of 8 days.	--
Regulation 54(2) of the SEBI LODR	The Company has filed the Security Cover Certificate. However, In the intimation filed with the Stock Exchange dated August 10, 2022, the Company has not disclosed the details as required under Regulation 54(2).	--
Regulation 57(4) of the SEBI LODR	The Company has delayed in filing the intimation under Regulation 57(4) regarding NIL Interest / Principle amount to Debenture Holders payable during the Quarter ending September 30, 2022, by a period of 4 days.	--
Reg 60 (2) of SEBI LODR	The Company has delayed in filing the intimation under Regulation 60(2) regarding record date for redemption of Debentures filed on March 20, 2023, by 4 days.	--

(ii) few instances of delay in filing of weekly / monthly / quarterly returns with the Reserve Bank of India on the XBRL portal.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the Directors to schedule the Board Meetings and Committee Meetings; agenda and detailed notes on agenda were sent at least seven days in advance and at few instances at shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All Resolutions (including Resolutions passed by Circulation) of the Board of Directors and its Committees are approved on the basis of majority and are duly recorded in the respective Minutes. There were no dissenting views by any member of the Board of Directors during the Audit Period.

We further report that there are adequate systems and processes in the Company which commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, guidelines and standards.

We further report that during the Audit Period:

- (i) the Company on March 13, 2023, has obtained the approval of members:
 - (a) under Sections 4, 5, 13, 14 of the Act for change in name of the Company from “Provincial Finance and Leasing Co Private Limited” to “Alpha Alternatives Financial Services Private Limited”;
 - (b) under Sections 4 and 13 of the Act to amend the Other Objects under Clause III(B) of the Memorandum of Association; and
 - (c) under Sections 13, 61 and 64 of the Act for increase in Authorised Capital of the Company to Rs. 18,50,00,000/- consisting of Rs.15,00,00,000/- divided into 1,50,00,000 Equity Shares of the face value of Rs. 10/- each and Rs. 3,50,00,000/- divided into 35,00,000 Preference Shares of the face value of Rs. 10/- (Rupees Ten Only) each.
- (ii) the Company on March 21, 2023, has obtained the approval of members under Sections 42 and 71 of the Act to issue, offer and allot secured, unsecured, perpetual, listed and/or unlisted Non-Convertible Debentures (“NCDs”) including subordinated Debentures qualifying as Tier-II debt in terms of the Master Directions on NCDs up to Rs. 3,500 crores;
- (iii) the Company on March 28, 2023, has issued and allotted 11,25,000 Equity Shares of the Company of face value of Rs. 10/- each at a premium of Rs. 390/- each aggregating to Rs. 45,00,00,000/- on rights basis to Alpha Alternatives Holdings Private Limited (Holding Company);
- (iv) the Company on March 30, 2023, has obtained the approval of members under Sections 42, 55 and 62 of the Act to issue, offer and allot 14,58,250, 0.0001% Cumulative Compulsorily Convertible Preference Shares of face value of Rs.10/- each at a premium of Rs. 390

- aggregating to Rs. 58,33,00,000/- for cash on preferential basis to Sargam Retails Private Limited;
- (v) the Company on March 31, 2023, had issued and allotted 14,58,250, 0.0001% Cumulative Compulsorily Convertible Preference Shares of face value of Rs.10/- each at a premium of Rs. 390 aggregating to Rs. 58,33,00,000/- for cash on preferential basis to Sargam Retails Private Limited;
- (vi) the Company on various dates had issued and allotted 8234 (Eight Thousand Two Hundred and Thirty-Four) Non-Convertible Debentures of the face value of Rs. 10,00,000/- each for an amount aggregating to Rs. 823.40 crores and the same are listed on the Stock Exchange; and
- (vii) the Company on various dates had issued and allotted 3,00,000 (Three Lakh) Non-Convertible Debentures of the face value of Rs. 100 each for an amount aggregating to Rs. 3 crores.

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

For **M/s. SAHANI & KOTHARI ASSOCIATES**

Company Secretaries

"A Peer Reviewed Unit"

ICSI Unique Code: P2016MH056500

SD/-

Kirti Kothari

Partner

Mem. No. F12007

COP: 17287

Place: Mumbai

Date: September 18, 2023

UDIN: F012007E001033467

To,
The Members,
Alpha Alternatives Financial Services Private Limited
(Formerly known as Provincial Finance and Leasing Co Private Limited)
34th Floor, Sunshine Tower,
Senapati Bapat Marg, Dadar (W),
Mumbai - 400 013.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and book of accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **M/s. SAHANI & KOTHARI ASSOCIATES**
Company Secretaries
"A Peer Reviewed Unit"
ICSI Unique Code: P2016MH056500

SD/-

Kirti Kothari
Partner

Mem. No. F12007
COP: 17287

Place: Mumbai
Date: September 18, 2023

UDIN: F012007E001033467

INDEPENDENT AUDITOR'S REPORT

To the Members of
Provincial Finance and Leasing Co Private Limited

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **Provincial Finance and Leasing Co Private Limited** ("the Company"), which comprise the balance sheet as at 31st March 2023, the statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity, and statement of cash flows 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, in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its Profits and its cash flows 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.

Management's Responsibility for the 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 including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS 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 of the assets of the Company and for preventing and detecting

Registered with Limited Liability under The Limited Liability Partnership Act, 2008 with Registration No. AAA - 7120

Regd. Office: 40, Morarji Velji Bldg, 1st flr, 9/15, Dr. M.B. Velkar Street, Kalbadevi, Mumbai – 400002.

Tel: +91 22 43153000 Fax: +91 22 43153015 Email: aja@ajallp.com Website: www.ajallp.com



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.

In preparing the financial statements, the Board of Directors is 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility

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:

1. 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.
2. 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 Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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.

5. 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.

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

1. As required by the Companies (Auditor's Report) Order 2020 ("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, the Statement of Profit and Loss, including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the IND AS 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, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023, from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to adequacy internal financial controls system over financial reporting of the company and the operating effectiveness of such controls as at March 31, 2023, refer our separate report in "Annexure B". Our report expresses unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of



Ambavat Jain & Associates LLP

Chartered Accountants

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 did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. a. The Management has represented that, to the best of its knowledge and belief, other than as disclosed in Note 13 sub note 1 and 2, no funds (which are material either individually or in the aggregate) have been invested (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, 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, other than as disclosed in Note 13 sub note 1 and 2, 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The company has not declared or paid dividend during the year.

For Ambavat Jain & Associates LLP

Chartered Accountants

Firm's Registration No: 109681W



Atul Ambavat

Partner

Membership No. 113731

UDIN: 23113731BGWTK3800

Place: Mumbai

Date: May 15, 2023

Registered with Limited Liability under The Limited Liability Partnership Act, 2008 with Registration No. AAA - 7120

Regd. Office: 40, Morarji Velji Bldg, 1st flr, 9/15, Dr. M.B. Velkar Street, Kalbadevi, Mumbai – 400002.

Tel: +91 22 43153000 Fax: +91 22 43153015 Email: aja@ajallp.com Website: www.ajallp.com

- e. Company's principal business is to give loans and make investments. Therefore, the provisions of clause 3(iii)(e) of the Order are not applicable to the Company.
- f. Following loans were granted during the year to related parties under Section 2(76) which are repayable on demand or where no schedule for repayment of principal [and payment of interest] has been stipulated by the Company.

Particular	Amount in INR
Aggregate of loans/advances in nature of loan	
- Repayable on demand	16,00,00,000
- Agreement does not specify any terms or period of repayment	-
Percentage of loans to the total loans	100.00%

- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. In our opinion, and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Sections 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed thereunder to the extent notified, with regard to the deposits or amounts which are deemed to be deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits, and therefore, the question of our commenting on whether the same has been complied with or not does not arise.
- vi. According to information and explanation given to us, The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. In respect of Company's Statutory Dues:
- 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 regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities.



ANNEXURE A TO THE INDEPENDENT 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 Co Private Limited on the accounts for the year ended 31st March, 2023)

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - a. (A) The Company is maintaining the company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
(B) The Company does not have any Intangible Assets. Therefore, the provisions of clause 3(i)(b)(B) of the Order are not applicable to the Company.
 - b. These Property, Plant and Equipment 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 Properties. Therefore, the provisions of clause 3(i)(c) of the Order are not applicable to the Company.
 - d. The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Therefore, the provisions of clause 3(i)(d) of the Order are not applicable to the Company.
 - e. No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Therefore, the provisions of clause 3(i)(e) of the Order are not applicable to the Company.
- ii. In respect of Company's Inventories:
 - a. The Company's business does not involve keeping Inventories. Therefore, the provisions of clause 3(ii)(a) of the Order are not applicable to the Company.
 - b. During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions [on the basis of security of current assets] and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.
- iii. During the year, the Company has made investments in and granted loans, unsecured, to companies, limited liability partnerships. The Company has not provided any guarantee or security to any other entity during the year. With respect to such investments and loans and advances:
 - a. Company's principal business is to give loans and make investments. Therefore, the provisions of clause 3(iii)(a) of the Order are not applicable to the Company.
 - b. In respect of the aforesaid investments and loans in nature of the loan, the terms and conditions under which such loans were granted and investments were made are not prejudicial to the Company's interest.
 - c. In respect of the aforesaid loans/advances in nature of loans, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.
 - d. In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.



- 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. According to the information and explanations given to us and the records of the Company examined by us, there is no income surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix.
- a. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender as at the balance sheet date.
- b. According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- c. In our opinion, and according to the information and explanations given to us, the term loans have been applied 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. According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associate.
- f. According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x.
- a. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- b. The Company has made a private placement 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. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material



fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

- b. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, was not required to be filed. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- c. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements under note no 32 as required under applicable Accounting Standard "Related Party Disclosures" specified under Section 133 of the Act.
- xiv. a. In our opinion and based on our examination, the company has an internal audit system in place commensurate with the size and nature of its business as per provisions of the Companies Act 2013.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting under clause 3(xv) of the Order is not applicable to the Company.
- xvi. a. The Company is required to and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- b. The Company has conducted non-banking financial activities during the year and the Company holds a valid Certificate of Registration from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- c. The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- d. Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately



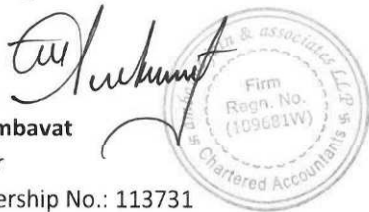
evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios as per Note 38 to the financial statements, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that 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 one 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. In our opinion and according to information and explanation given to us, corporate social responsibility as per section 135(5) of Companies Act,2013 is not applicable. Accordingly, the reporting under clause 3(xx)(a) and (b) of the Order is not applicable to the Company.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Ambavat Jain & Associates LLP

Chartered Accountants

Firm's Registration No: 109681W



Atul Ambavat

Partner

Membership No.: 113731

UDIN: 23113731BGWTK3800

Place: Mumbai

Date: May 15, 2023

Annexure B to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the **Provincial Finance and Leasing Co Private Limited** on the standalone financial statements for the year ended 31st March, 2023 :

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 **Provincial Finance and Leasing Co Private Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control 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 (ICAI). 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 over financial reporting 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 over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

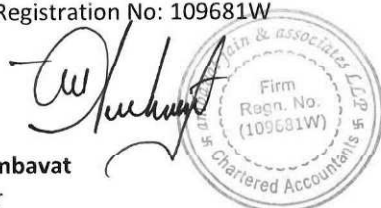
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control 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.

For Ambavat Jain & Associates LLP

Chartered Accountants

Firm's Registration No: 109681W



Atul Ambavat

Partner

Membership No. 113731

Place: Mumbai

Date: May 15, 2023

UDIN: 23113731BGWTK3800

Provincial Finance And Leasing Co Private Limited

Balance sheet as at March 31, 2023

(Amount in lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Financial Assets			
Cash and cash equivalents	3	1,411.02	20,197.58
Loans	4	4,581.60	4,545.53
Investments	5	1,58,671.31	47,465.01
Other Financial assets	6	745.84	20,047.29
		1,65,409.77	92,255.41
Non-financial Assets			
Current tax assets (Net)	7	-	11.14
Deferred tax Assets (Net)	8	-	12.80
Property, Plant and Equipment	9	1.78	-
Other non-financial assets	10	24.20	1.01
		25.98	24.95
Total Assets		1,65,435.75	92,280.36
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Derivative financial instruments	11	1,208.47	2.06
Payables	12		
(I) Trade Payables			
(i) total outstanding dues of micro and small enterprises		-	4.21
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		8.43	10.68
(II) Other Payables			
(i) total outstanding dues of creditors other than micro enterprises and small enterprises		3.96	-
Debt Securities	13	1,38,393.16	68,045.86
Preference Share Capital	14	5,833.00	-
Subordinated Liabilities	15	-	3,400.00
Other financial liabilities	16	1,004.02	9.07
		1,46,451.04	71,471.88
Non-Financial Liabilities			
Current tax liabilities (Net)	7	42.79	-
Deferred tax Liabilities (Net)	8	87.21	-
Provisions	17	8.68	2.61
Other non-financial liabilities	18	81.32	4.96
		220.00	7.57
EQUITY			
Equity Share capital	19	1,456.14	1,343.64
Other Equity	20	17,308.57	19,457.27
		18,764.71	20,800.91
Total Liabilities and Equity		1,65,435.75	92,280.36

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

For Ambavat Jain & Associates LLP

Chartered Accountants

Firm's Registration No.: 109681W


Atul Ambavat

Partner

Membership No. : 113731

Mumbai

Date: 15th May, 2023

UDIN: 23113731BGWTK3800

For and on behalf of the Board of Directors of

Provincial Finance and Leasing Co Private Limited

 
Naresh Kothari Shreyans Mehta

Director

DIN : 00012523

Mumbai

Director

DIN : 06756771

Mumbai


Rupali Maini

Company Secretary &

Compliance Officer

Membership No : A64083

Mumbai

Provincial Finance And Leasing Co Private Limited
Statement of Profit and Loss Account for the Year ended March 31, 2023

(Amount In lakhs)

Particulars	Note No.	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Revenue from operations			
Interest Income	21	7,672.78	127.97
Net gain on sale of Financial Instrument	22	24,287.64	44.99
Net gain on fair value changes	23	(941.25)	18.55
Total Revenue from operations		31,019.17	191.51
Other Income	24	22.36	0.18
Total Income		31,041.53	191.69
Expenses			
Finance Costs	25	20,306.02	73.72
Employee Benefits Expenses	26	1,477.83	39.11
Depreciation, amortization and impairment	27	1.80	-
Others expenses	28	3,400.24	73.39
Total Expenses		25,185.89	186.22
Profit / (loss) before exceptional items and tax		5,855.64	5.47
Exceptional items		-	-
Profit/(loss) before tax		5,855.64	5.47
Tax Expense:			
Current Tax		1,289.47	0.54
Deferred Tax		184.03	0.84
Profit / (loss) for the period from continuing operations		4,382.14	4.09
Profit/(loss) from discontinued operations		-	-
Tax Expense of discontinued operations		-	-
Profit/(loss) from discontinued operations(After tax)		-	-
Profit/(loss) for the period		4,382.14	4.09
Other Comprehensive Income			
(A) (i) Items that will not be reclassified to profit or loss			
Fair valuation on Equity instrument		(803.65)	(123.17)
Remeasurement of the net defined benefit obligation gain / (loss)		(1.71)	(2.59)
(ii) Income tax relating to items not be reclassified to profit or loss		84.01	13.46
Subtotal (A)		(721.35)	(112.30)
(B) (i) Items that will be reclassified to profit or loss			
Subtotal (B)		-	-
Other Comprehensive Income (A + B)		(721.35)	(112.30)
Total Comprehensive Income for the period		3,660.79	(108.21)
Earnings per equity share (for continuing operations)	29		
Basic (Rs.)		32.58	0.10
Diluted (Rs.)		32.58	0.10

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

For Ambavat Jain & Associates LLP

Chartered Accountants
 Firm's Registration No.: 109681W


Atul Ambavat
 Partner

Membership No. : 113731
 Mumbai

Date: 15th May, 2023
 UDIN: 23113731BGWKT3800

For and on behalf of the Board of Directors of
Provincial Finance and Leasing Co Private Limited


Naresh Kothari
 Director
 DIN : 00012523
 Mumbai


Shreyans Mehta
 Director
 DIN : 06756771
 Mumbai


Rupali Maini
 Company Secretary &
 Compliance Officer
 Membership No : A64083
 Mumbai

Provincial Finance And Leasing Co Private Limited
Cash Flow Statement for the Year ended March 31, 2023

(Amount In lakhs)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
[A] CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	5,855.64	5.47
Adjustments for:		
Interest Expenses	20,306.02	73.72
Provision for Standard Assets	0.40	17.30
Net gain on Fair Value Change	941.25	(18.55)
Depreciation	1.80	
Operating Profit/(Loss) before changes in working capital	27,105.11	77.93
Adjustment for (Increase)/Decrease in Operating Assets		
Adjustments for other non financial assets	(23.19)	1.34
Adjustments for other financial assets	(698.55)	(47.29)
Net Sale / (Purchase) of investment	(1,11,898.61)	(47,563.38)
Net Loan Proceeds/ (Given)	(36.47)	(4,186.22)
Margin (Given)/ Received	20,000.00	(20,000.00)
Adjustment for Increase/(Decrease) in Operating Liabilities		
Adjustments for increase (decrease) in trade payables	(2.50)	10.54
Adjustments for provisions	4.36	0.02
Adjustments for other financial liabilities	1,002.81	(9.90)
Adjustments for other non financial liabilities	76.36	4.00
Cash flow from operations after changes in working capital	(64,470.68)	(71,712.95)
Net Direct Taxes (Paid)/Refunded	(1,235.55)	(9.85)
Net Cash Flow from/(used in) Operating Activities	(65,706.23)	(71,722.80)
[B] CASH FLOW FROM INVESTING ACTIVITIES		
Net Sale / (Purchase) of investment	153.82	(0.04)
Purchase of Fixed Asset	(3.57)	
Net Cash Flow from/(used in) Investing Activities	150.25	(0.04)
[C] CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuing shares (Including security)	4,500.00	10,290.94
Proceeds from Debt Securities (Including Debenture Premium)	97,161.20	78,177.00
Redemption of Debt Securities (Including Debenture Premium)	(49,300.50)	-
Proceeds from issue of Preference Share Capital	5,833.00	-
Proceeds from Subordinated Liabilities	(3,400.00)	3,400.00
Interest Payment	(8,024.28)	-
Net Cash Flow from/(used in) Financing Activities	46,769.42	91,867.94
Net Increase/ (Decrease) in Cash and Cash Equivalents	(18,786.56)	20,145.10
Cash & Cash Equivalents at beginning of period (see Note 1)	20,197.58	52.48
Cash and Cash Equivalents at end of period (see Note 1)	1,411.02	20,197.58

Notes:

1 Cash and Cash equivalents comprises of:		
Cash on Hands	0.33	0.61
Balance with Banks	649.52	10,193.46
Fixed Deposit having maturity of less than 3 months	761.17	10,003.51
Cash and Cash equivalents	1,411.02	20,197.58
Effect of Unrealised foreign exchange (gain)/loss (Net)		
Cash and Cash equivalents as restated	1,411.02	20,197.58

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


Atul Ambavat
Partner

Membership No. : 113731
Mumbai

Date: 15th May, 2023

UDIN: 23113731BGWTK3800

For and on behalf of the Board of Directors of
Provincial Finance and Leasing Co Private Limited


Naresh Kothari
Director
DIN : 00012523
Mumbai


Shreyans Mehta
Director
DIN : 06756771
Mumbai


Rupali Maini
Company Secretary &
Compliance Officer
Membership No : A64083
Mumbai

Provincial Finance And Leasing Co Private Limited
Notes to Financial Statement for the year ended March 31, 2023

Statement of Changes in Equity

A) Equity share capital

(Amount in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the current	1,343.64	313.64
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	112.50	1,030.00
Balance at the end of the current reporting period	1,456.14	1,343.64

B) Other equity

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 31 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)
Total	4,419.96	2.33	19,536.17	10.00	(847.23)	(3.16)	23,118.06
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)
As at March 31, 2023	3,543.53	878.76	13,726.67	10.00	(847.23)	(3.16)	17,308.57

For the year ended March 31, 2022

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 2021	17.74	1.51	78.22	10.00	-	0.06	107.54
Profit after tax	4.09	-	-	-	-	-	4.09
Other comprehensive income	-	-	-	-	(110.36)	(1.94)	(112.30)
Total	21.83	1.51	78.22	10.00	(110.36)	(1.88)	(0.67)
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	(0.82)	0.82	-	-	-	-	-
Received during the year	-	-	19,457.95	-	-	-	19,457.95
As at March 31, 2022	21.02	2.33	19,536.17	10.00	(110.36)	(1.88)	19,457.27

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

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


Atul Ambavat
 Partner
 Membership No. : 113731
 Mumbai
 Date: 15th May, 2023
 UDIN: 23113731BGWTK3800

For and on behalf of the Board of Directors of
Provincial Finance and Leasing Co Private Limited


Naresh Kothari
 Director
 DIN : 00012523
 Mumbai


Shreyans Mehta
 Director
 DIN : 06756771
 Mumbai


Rupali Maini
 Company Secretary &
 Compliance Officer
 Membership No : A64083
 Mumbai

Note 1. COMPANY INFORMATION

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 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 of the Company have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 read with sub-section (1) of section 210A of the Companies Act, 2013. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with compliance with other statutory promulgations require a different treatment. Any application guidance/clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

(b) Basis of Preparation

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies below and the relevant provisions of The Companies Act, 2013 ("Act").

Accounting policies have been consistently applied except where a newly issued Accounting Standards is initially adopted or a revision to an existing Accounting Standards requires a change in the accounting policy hitherto in use.

(c) Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 ("the Act") applicable for Non- Banking Finance Companies ("NBFC"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Ind AS.

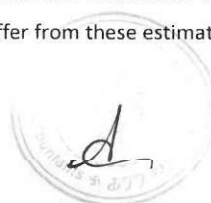
The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the company operates and all values are rounded to lakh except when otherwise stated.

(d) 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.

(e) Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.



Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in 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 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 determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

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:

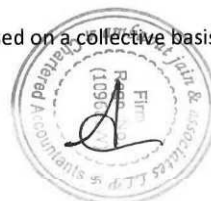
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, 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 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, changes in which can result in different levels of allowances.

The Company's 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.

(f) 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. SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue recognition

i. Recognition of interest income on loans

Interest income is recognised in Statement of profit and loss using the effective interest method for all financial instruments measured at amortised cost or at fair value through other comprehensive income. 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.

ii. Net Gain/Loss on 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. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and 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 Statement of Profit and Loss.

iii. Other income and expenses

Other income and expenses are recognised in the period in which they occur.

(b) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Regular purchase and sale of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

Financial assets and financial liabilities are initially measured at fair value or amortised cost. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of profit and loss. However, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are added to the fair value.

ii. Classification and Subsequent measurement

The Company classifies its financial assets into the following measurement categories: amortized cost; fair value through other comprehensive income; and fair value through profit or loss.

All recognized financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, specifically, debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortized cost.



Financial Instruments measured at amortized cost

A 'financial instrument' 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 finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Financial instruments measured at fair value through other comprehensive income ("FVTOCI")

A 'financial instrument' is classified as at the FVTOCI, if both of the following criteria are met:

- The objective of the business model is achieved, both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent Solely Payments of Principal and Interest (SPPI).

Debt instruments included within the FVTOCI category are measured initially, as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses, and reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial Instruments measured at fair value through Profit and Loss ("FVTPL")

Debt Instrument at FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

Investments in Subsidiaries, Associates and Joint Ventures are out of scope of Ind AS 109 and, hence, the Company has accounted for its investments in Subsidiaries, Associates and Joint Ventures at cost.

All other equity investments are measured at fair value. Equity instruments, which are held for trading, are classified as at FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

For equity instruments, other than held for trading, the Company has irrevocable option to present in OCI, subsequent changes in the fair value. Where the Company classifies equity instruments as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment.

iii. **Impairment of financial assets**

Overview of the ECL principles

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. Equity instruments are not subject to impairment under Ind AS 109. The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime



expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12m ECL). The Company's policies for determining if there has been a significant increase in credit risk are set out.

The 12m ECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12m ECLs are calculated on an individual basis, depending on the nature of the underlying portfolio of financial instruments. The Company has established a policy to perform an assessment, at the end of each year, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12mECLs. This also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved, and the loan has been reclassified from Stage 3.

Stage 3: Loans considered credit impaired. The Company records an allowance for the LTECLs.

iv. Write Off

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts, subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to the financial assets written off.

(c) Financial liabilities and equity instruments

Debt and equity instruments that are issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Convertible equity instruments i.e. Compulsorily convertible Preference shares issued by the company are classified as financial liabilities as per Ind AS 32 due to its variable conversion terms

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest rate method.

(d) Property, plant and equipment ("PPE)

PPE is recognized when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at cost of acquisition (net of tax), if any, less accumulated depreciation and cumulative impairment losses (if any). Cost includes freight, duties, taxes and expenses incidental to acquisition and installation.

Subsequent expenditure related to an item of PPE is added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and



equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

(e) Employee Benefits

Defined contribution plan

A defined contribution plan is a plan for the post employment benefit of an employee under which the Company pays fixed periodic contributions into Provident Fund and Employee State Insurance Corporations. The Company has no further legal or constructive obligation to pay once contributions are made. Contributions made are charged to employee benefit expenses in the period in which the employment services qualifying for the benefit are provided.

Defined benefit plan:

Short term employee benefits: Employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. These benefits include performance incentive and compensated absences

Post employment benefits: The employees' gratuity fund scheme represents defined benefit plan. The present value of the obligation under defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

Re-measurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (if applicable) is recognized in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to the Statement of Profit and Loss.

Defined benefit costs comprising current service cost, past service cost and gains or losses on settlements are recognized in the Statement of Profit and Loss as employee benefit expenses. Gains or losses on settlement of any defined benefit plan are recognized when the settlement occurs. Past service cost is recognized as expense at the earlier of the plan amendment or curtailment and when the Group recognizes related restructuring costs or termination benefits.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognize the obligation on a net basis.

Long term employee benefits: The obligation recognized in respect of long term benefits such as long term compensated absences, is measured at present value of estimated future cash flows expected to be made by the Group and is recognized in a similar manner as in the case of defined benefit plan above.

(f) Borrowing Cost

Borrowing costs include interest expense calculated using EIR or respective financial instruments measured at amortized cost



(g) Taxation

Income tax expense comprises current and deferred tax. It is recognized in the statement of profit and loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax

Current tax is the amount of tax payable (recoverable) in respect of the taxable profit/ (tax loss) for the year determined in accordance with the provisions of the Income-tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expenses that are taxable or deductible in other years & items that are never taxable or deductible. Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax:

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- indexation benefit in relation to investments in subsidiaries, given that the Company does not have any intention to dispose such investments in the foreseeable future.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised, such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Taxes relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the statement of profit and loss.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

- the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.



(h) Provisions and contingences

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is more likely than not that an outflow of economic benefits will be required to settle the obligation. Provisions are discounted where the effect of discounting is material at a pre-tax rate that reflects current market assessments of the time value of money. Unwinding of the discount (accretion) is recognized as a finance cost. Discount rates are assessed and projected timing of future obligations each reporting year.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

(i) Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement include cash in hand, balances with the banks and short-term investments with an original maturity of three months or less.

(j) Earnings per share

The basic earnings per share ('EPS') is computed by dividing the net profit attributable to equity shareholders for the period, by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed using the weighted average number of equity and dilutive (potential) equity equivalent shares outstanding during the period except where the results would be anti-dilutive.



Provincial Finance And Leasing Co Private Limited
Notes to Financial Statement for the year ended March 31, 2023

Note - 3

Cash and Cash Equivalents

(Amount in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on Hand	0.33	0.61
Balance with Banks		
In Current Account	649.52	10,193.46
In Fixed Deposit having maturity of less than 3 months (Including interest accrued thereon)	761.17	10,003.51
	1,411.02	20,197.58

Note - 4

Loans

Particulars	As at March 31, 2023			As at March 31, 2022		
	Amortised cost	At fair value through OCI	Total	Amortised cost	At fair value through OCI	Total
Loans (Valued at Amortised Cost)						
Loans to Related Parties	4,600.00	-	4,600.00	1,000.00	-	1,000.00
Loans to Other	-	-	-	3,563.53	-	3,563.53
Total (A) - Gross	4,600.00	-	4,600.00	4,563.53	-	4,563.53
Less: Impairment loss allowance	18.40	-	18.40	18.00	-	18.00
Total (A) - Net	4,581.60	-	4,581.60	4,545.53	-	4,545.53
(B) Out of above						
(i) Secured	-	-	-	3,563.53	-	3,563.53
Less: Impairment loss allowance	-	-	-	14.25	-	14.25
Total (i)	-	-	-	3,549.28	-	3,549.28
(ii) Unsecured	4,600.00	-	4,600.00	1,000.00	-	1,000.00
Less: Impairment loss allowance	18.40	-	18.40	3.75	-	3.75
Total (ii)	4,581.60	-	4,581.60	996.25	-	996.25
Total (B) = (i) + (ii)	4,581.60	-	4,581.60	4,545.53	-	4,545.53
(C) Out of above			-			-
(I) Loans in India			-			-
(i) Public Sector	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Subtotal (i)	-	-	-	-	-	-
(ii) Others	4,600.00	-	4,600.00	4,563.53	-	4,563.53
Less: Impairment loss allowance	18.40	-	18.40	18.00	-	18.00
Subtotal (ii)	4,581.60	-	4,581.60	4,545.53	-	4,545.53
Total (I)	4,581.60	-	4,581.60	4,545.53	-	4,545.53
(II) Loans outside India	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Total (II)	-	-	-	-	-	-
Total C(I) and C(II)	4,581.60	-	4,581.60	4,545.53	-	4,545.53

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.



Provincial Finance And Leasing Co Private Limited
Notes to Financial Statement for the year ended March 31, 2023

Summary of loans by stage distribution

(Amount In lakhs)

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
Net carrying amount	4,581.60	-	-	4,581.60

Particulars	As at March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	4,563.53	-	-	4,563.53
Less: Impairment loss allowance	18.00	-	-	18.00
Net carrying amount	4,545.53	-	-	4,545.53

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

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
As at 31 March 2022	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	-	-	-	-	-	-	-	-
As at 31 March 2023	4,600.00	18.40	-	-	-	-	4,600.00	18.40

Particulars	As at 31 March 2022							
	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
As at 31 March 2021	381.46	0.70	-	-	-	-	381.46	0.70
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)	618.54	3.30	-	-	-	-	618.54	3.30
New credit exposures during the year, net of repayments	3,500.00	14.00	-	-	-	-	3,500.00	14.00
Amounts written off during the year	-	-	-	-	-	-	-	-
As at 31 March 2022	4,500.00	18.00	-	-	-	-	4,500.00	18.00



Provincial Finance And Leasing Co Private Limited
Notes to Financial Statement for the year ended March 31, 2023

Note - 5

Investments

Particulars	As at March 31, 2023	As at March 31, 2022
(A) At fair value through other comprehensive income		
(i) In Equity Instruments	3,271.57	4,229.05
Total (A)	3,271.57	4,229.05
(B) At fair value through profit or loss (Held for trading)		
(i) In Equity Instruments	2,994.99	-
(ii) In Government Securities and Treasury Bills	71,708.34	-
(iii) In Mutual Funds	29,809.91	41,831.82
(iv) In Bonds	2,080.64	-
Total (B)	1,06,593.88	41,831.82
(C) At Amortised Cost		
(i) Unlisted Secured Redeemable Non Convertible debentures	3,813.83	1,404.14
(ii) Reverse Repo	35,503.77	-
(iii) Bank Certificate of deposit	9,488.26	-
Total (C)	48,805.86	1,404.14
Total (A+B+C)	1,58,671.31	47,465.01
Investments outside India	-	-
Investment in India	1,58,671.31	47,465.01
Total (Gross)	1,58,671.31	47,465.01
Less: Allowance for impairment	-	-
Total (Net)	1,58,671.31	47,465.01

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

Particulars	Gross carrying - Stage 1	Impairment amount - allowance Stage 1
Opening as on April 1, 2022	1,404.14	-
New assets originated	18,85,384.99	-
Exposure matured / repaid	(18,37,983.27)	-
Closing as on March 31, 2023	48,805.86	-

Note - 6

Other Financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Margin with Broker	-	20,000.00
Balance with brokers	745.84	47.29
	745.84	20,047.29

Note - 7

Current tax assets (Net)

Particulars	As at March 31, 2023	As at March 31, 2022
Income Tax (Net of Provisions)	(42.79)	11.14
	(42.79)	11.14

Note - 8

Deferred tax Assets/ Liabilities (Net)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax Assets/ Liabilities (Net)	(87.21)	12.80
	(87.21)	12.80



Provincial Finance And Leasing Co Private Limited
Notes to Financial Statement for the year ended March 31, 2023

Deferred tax assets recorded in Balance Sheet

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax relates to the following:		
<i>Deferred tax assets</i>		
Remeasurement of employee benefit	2.18	0.65
Provision for Standard Assets	4.63	4.53
Net gain on fair valuation of Investments not adjusted under Income Tax Act, 1961		7.62
Depreciation	0.09	
Gross deferred tax assets	6.91	12.80
<i>Deferred tax liabilities</i>		
Remeasurement of employee benefit		
Net gain on fair valuation of Investments not adjusted under Income Tax Act, 1961	94.12	
Depreciation		
Gross deferred tax liabilities	94.12	-
Deferred tax assets/(liabilities) (Net)	(87.21)	12.80

Note - 10

Other non-financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid Expense	9.17	-
Balance with Revenue Authorities	-	1.01
Deposits	15.03	-
	24.20	1.01



Provincial Finance And Leasing Co Private Limited
Notes to Financial Statement for the year ended March 31, 2023

Note - 9
Property, Plant and Equipment

Tangible assets	Gross block				Accumulated depreciation and impairment				Net block	
	Balance as at April 1, 2022	Additions	Disposals	Balance as at March 31, 2023	Balance as at April 1, 2022	Depreciation / amortisation expense for the year	Accumulated Depreciation on disposed Asset	Balance as at March 31, 2023	Balance as at March 31, 2023	Balance as at March 31, 2022
(a) Computers	-	3.58	-	3.58	-	1.80	-	1.80	1.78	-
Total	-	3.58	-	3.58	-	1.80	-	1.80	1.78	-
Previous year	-	-	-	-	-	-	-	-	-	-



Provincial Finance And Leasing Co Private Limited
Notes to Financial Statement for the year ended March 31, 2023

Note - 11

Derivative financial instruments

(Amount in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Index - Options Sold (Net)	1,208.47	2.06

Note - 12

Payables

Particulars	As at March 31, 2023	As at March 31, 2022
(I) Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	4.21
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	8.43	10.68
	8.43	14.89
(II) Other Payables		
(i) total outstanding dues of creditors other than micro enterprises and small enterprises	3.96	-
	3.96	-

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	-	-	-	-	-	-
	12.39	-	-	-	-	12.39

As at March 31, 2022	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	4.21	-	-	-	-	4.21
ii) Others	10.68	-	-	-	-	10.68
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - others	-	-	-	-	-	-
	14.89	-	-	-	-	14.89

Particulars	As at March 31, 2023	As at March 31, 2022
Dues to Micro & 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.		
1.The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year :		
Principal	-	-
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	-	-



Provincial Finance And Leasing Co Private Limited
Notes to Financial Statement for the year ended March 31, 2023

Note - 13

Debt securities

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
Market Linked Debentures - privately placed - Valued at FVTPL (MLD)	1,19,805.46	68,045.86
Add: Securities premium on above	18,587.70	10,197.00
Less: Transferred to Securities premium reserve	-	(10,197.00)
Total MLD Liability	1,38,393.16	68,045.86
Of the Above		
i) Debt securities in India	1,38,393.16	68,045.86
ii) Debt securities outside India	-	-

Footnote:

Market Linked Debentures

Security Details

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.

The securities premium received from inception until Balance sheet date on issuance of Market Linked Debentures are included in the value of debentures

Terms of Repayment - As at March 31, 2023

Particulars	ISIN	Quoted / Unquoted	Date of Maturity	Amount (FV)
Market Linked Debentures - privately placed (EQAR MLD - Series A)	INEOL6807013	Quoted	1111 Days from date of Issue i.e. 25/03/2022	25,110.00
Market Linked Debentures - privately placed (EQAR MLD - Series B)	INEOL6807021	Quoted	1111 Days from the date of Issue i.e. 27/05/2022	33,670.00
Market Linked Debentures - privately placed (EQAR MLD - Series C)	INEOL6807039	Quoted	1111 Days from the date of Issue i.e. 19/08/2022	9,080.00
Market Linked Debentures - privately placed (EQAR MLD - Series D)	INEOL6807054	Quoted	1111 Days from the date of Issue i.e. 19/11/2022	20,700.00
Market Linked Debentures - privately placed (CAR MLD - Series A)	INEOL6807047	Quoted	1111 Days from the date of Issue i.e. 06/10/2022	18,890.00

Note - 14

Preference Share Capital

Particulars	As at March 31, 2023	As at March 31, 2022
At Amortized Cost		
14,58,250 0.0001% Cumulative Compulsorily Convertible Preference Shares (PY NIL) of Rs 10 each issued at at	5,833.00	-
Total	5,833.00	-
Of the Above		
i) Preference Share Capital issued in India	5,833.00	-
ii) Preference Share Capital issued outside India	-	-



Provincial Finance And Leasing Co Private Limited
Notes to Financial Statement for the year ended March 31, 2023

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 i.e. 31/03/2023, 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 - 15

Subordinated Liabilities

Particulars	As at 31st March 2023	As at 31st March 2022
Non Convertible Debentures (Valued at Amortised Cost)	-	3,400.00
Total	-	3,400.00
Of the Above		
i) Borrowings in India	-	3,400.00
ii) Borrowings outside India		

Unrated Unsecured Subordinated Redeemable Non-Convertible Debentures

Terms of Repayment - As at March 31, 2022

Particulars	Interest Rate	Amount	Date of Maturity
Non-Convertible Debentures	Note A	1,400.00	60 months from the date of Issue i.e. 25/03/2022
Non-Convertible Debentures	12%	2,000.00	60 months from the date of Issue i.e. 25/03/2022
		3,400.00	

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 hurdle and excess returns as per the terms of the NCDs. The details from the proceeds of the NCDs are as under.

During the previous year, Company has issued NCDs to the following investors:

Investors of the NCD	Date of Receipt	Amount
Alpha Alternatives Holdings Pvt Ltd	25-Mar-22	320.00
Rajasthan Gum Private Limited	25-Mar-22	500.00
Renaissance Advanced Consultancy Limited	25-Mar-22	500.00
Snowblue Trademart Private Limited	25-Mar-22	80.00
		1,400.00

During the previous year, the issue proceeds of the above NCDs was used to invest in the following:

Particulars	Date of Investment	Amount
Unrated, unlisted, secured, NCDs of Yogindera Power Limited	25-Mar-22	1,400.00

Note - 16

Other Financial Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Employee benefits payable	1,004.02	1.21
Accrued Interest on borrowings	-	7.86
	1,004.02	9.07

Note - 17

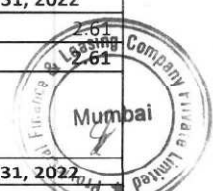
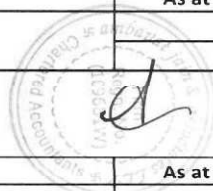
Provision

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Gratuity	8.68	2.61
	8.68	2.61

Note - 18

Other Non-Financial Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory Dues	81.32	4.96
	81.32	4.96



Provincial Finance And Leasing Co Private Limited
Notes to Financial Statement for the year ended March 31, 2023

Note - 19

Equity Share capital

(Amount in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised 1,50,00,000 Equity Shares (PY 1,45,00,000) of Rs. 10 each	1,500.00	1,450.00
Issued, Subscribed and Paid Up 1,45,61,388 Equity Shares (PY 1,34,36,388) of Rs. 10 each fully paid up	1,456.14	1,343.64
	1,456.14	1,343.64

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	1,34,36,388	1,343.64	31,36,388	313.64
Add:- Shares issued during the year	11,25,000	112.50	1,03,00,000	1,030.00
Less: Share bought back during the year	-	-	-	-
Shares outstanding at the end of the year	1,45,61,388	1,456.14	1,34,36,388	1,343.64

(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, 2023		As at March 31, 2022	
	Nos.	% of Holding	Nos.	% of Holding
Alpha Alternatives Holdings Private Limited	1,45,61,388	100	1,34,36,388	100
	1,45,61,388	100	1,34,36,388	100

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

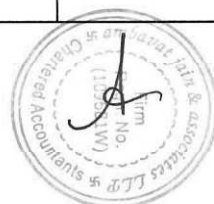
Promoter Name	As at March 31, 2023		
	Nos.	% of Holding	% Change during the year
Alpha Alternatives Holdings Private Limited	1,45,61,388	100	-

Promoter Name	As at March 31, 2022		
	Nos.	% of Holding	% Change during the year
Alpha Alternatives Holdings Private Limited	1,34,36,388	100	-

Note - 20

Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
(I) Retained Earnings		
Balance at the beginning of the year (a)	21.02	17.74
Profit/ Loss on Sale of Equity transferred through OCI (b)	16.80	-
Profit/(Loss) for the year (c)	4,382.14	4.09
Appropriations:		
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	876.43	0.82
Total appropriations (d)	876.43	0.82
Balance at the end of the year (a+b+c-d)	3,543.53	21.02



Provincial Finance And Leasing Co Private Limited
Notes to Financial Statement for the year ended March 31, 2023

Other Reserves

Particulars	As at March 31, 2023	As at March 31, 2022
Other Comprehensive Income		
Balance as at the beginning of the year	(112.24)	0.06
Fair valuation on Equity instrument	(720.07)	(110.36)
Profit/ Loss on Sale of Equity transferred to Retained Earnings	(16.80)	-
Remeasurement of the net defined benefit obligation gain / (loss)	(1.28)	(1.94)
Balance as at the end of the year	(850.39)	(112.24)
(II) Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934		
Balance as at the beginning of the year	2.33	1.51
Add: Transferred during the year	876.43	0.82
Balance as at the end of the year	878.76	2.33
(III) General Reserve		
Balance as at the beginning of the year	10.00	10.00
Add:- Received during the year	-	-
Balance at the end of the year	10.00	10.00
(IV) Securities Premium		
Balance as at the beginning of the year	19,536.17	78.22
Add:- Received during the year (Net off Share issue Expense)	4,387.50	9,260.95
Add/ (Less):- Debenture Premium (Net)	(10,197.00)	10,197.00
Balance at the end of the year	13,726.67	19,536.17
	17,308.57	19,457.27

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



Provincial Finance And Leasing Co Private Limited
Notes to Financial Statement for the year ended March 31, 2023

Note - 21

Interest Income

(Amount In lakhs)

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 - Debenture	-	731.53	-	731.53
Interest income - Loan	-	1,523.14	-	1,523.14
Interest income - Bonds	-	-	3,635.77	3,635.77
Interest income - Others	-	1,228.86	-	1,228.86
	-	4,037.01	3,635.77	7,672.78

Particulars	For the Year ended March 31, 2022			
	On financial assets measured at			
	FVOCI	Amortised Cost	FVTPL	Total
Interest income - Fixed Deposit	-	3.51	-	3.51
Interest income - Debenture	-	4.60	-	4.60
Interest income - Loan	-	114.23	-	114.23
Interest income - Others	-	5.63	-	5.63
	-	127.97	-	127.97

Note - 22

Net gain on Sale of Financial Instrument

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Gain / (Loss) on Sale of Mutual Fund/Shares/Bonds	1,810.13	0.96
Gain / (Loss) on Futures / Option	22,477.51	44.03
	24,287.64	44.99

Note - 23

Net gain on fair value changes

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Gain / (Loss) on Fair Value Changes on Mutual Funds/Shares/ Bonds	267.22	20.62
Gain / (Loss) on Fair Value Changes on Derivatives	(1,208.47)	(2.06)
	(941.25)	18.55

Note - 24

Other Income

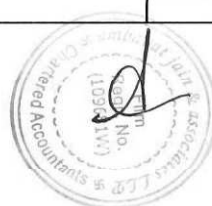
Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Dividend Income	22.36	-
Miscellaneous Income	-	0.18
	22.36	0.18

Note - 25

Finance costs

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
	605.13	19,700.89	20,306.02

Particulars	For the Year ended March 31, 2022		
	On financial liabilities measured at		
	Amortised Cost	FVTPL	Total
Interest on Subordinated Debt	7.86	-	7.86
Coupon of Market Linked Debentures	-	65.86	65.86
	7.86	65.86	73.72



Provincial Finance And Leasing Co Private Limited
Notes to Financial Statement for the year ended March 31, 2023

Note - 26

Employee Benefits Expenses

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Salaries and Wages	1,470.96	39.05
Contribution to Other Funds	4.36	0.02
Staff welfare expenses	2.51	0.04
	1,477.83	39.11

Note - 27

Depreciation and Amortization Expenses

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Depreciation on Property Plant and Equipment	1.80	-
	1.80	-

Note - 28

Other Expenses

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Brokerage & Other Charges	2,921.69	7.73
Legal and Professional Fees	186.30	6.60
Business Support Charges	126.68	6.00
Rates and Taxes	64.70	0.19
Issue expenses	46.84	30.29
Audit Fees	7.65	0.90
Director Sitting Fees	2.90	-
Miscellaneous Expenses	42.83	3.65
Bank Charges	0.25	0.23
Provision for Standard Asset	0.40	17.30
	3,400.24	73.39

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
(i) Payments to the auditors comprises of		
For Statutory audit	7.65	1.00
Other Services	3.60	3.76
	11.25	4.76



Provincial Finance And Leasing Co Private Limited
Notes to Financial Statement for the year ended March 31, 2023

NOTE - 29

Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Company.

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(A) Net profit attributable to equity shareholders	4,382.14	4.09
(B) Weighted average no. of equity shares at beginning of the year	1,34,36,388	31,36,388
Add: Effective shares issued during the year	12,329	9,66,027
(C) Weighted average no. of equity shares o/s during the period	1,34,48,717	41,02,415
Basic earning price per share (Rs) (A/C)	32.58	0.10
Diluted earning price per share (Rs) (A/C)*	32.58	0.10

*The Company has issued 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 14 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 2023 or 31 March 2022

NOTE - 31

Contingent Liabilities

There are no contingent liabilities for the period ended 31st March 2023 and 31st March 2022

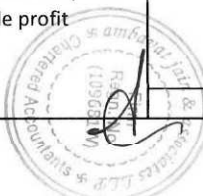
NOTE - 32

Income tax expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<i>Current tax</i>		
Current tax on profits for the year	1,289.47	0.54
Total Current tax expense	1,289.47	0.54
<i>Deferred tax</i>		
Decrease / (increase) in deferred tax asset	184.03	0.84
(Decrease) / increase in deferred tax liabilities	-	-
Total Deferred tax expense/(benefit)	184.03	0.84
Total Income tax expense	1,473.50	1.38
Income tax expense/(credit) is attributable to:		
Profit from continuing Operations	1,473.50	1.38
Profit/(Loss) from discontinuing Operations	-	-
	1,473.50	1.38

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit / (Loss) before income tax expense	5,855.64	5.47
Profit / (Loss) from discontinuing Operations before income tax exp	-	-
	5,855.64	5.47
Tax at the Indian tax rate of 25.168% (FY 2021-22 : 25.168%)	1,473.75	1.38
Add/(less) effect of :		
Effect of expenses that are not deductible in determining taxable profit	14.15	4.35
Effect of Income that are deductible in determining taxable profit	(204.83)	-
Capital Gains Tax	6.40	19
Deferred Tax (Refer Note 8)	184.03	84
Income tax expense	1,473.50	1.38



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, 2023	For the year ended March 31, 2022
Defined benefit obligation as at the opening of the year	2.61	
Current service cost	4.17	0.02
Interest on defined benefit obligation	0.19	
Remeasurements due to:		
Actuarial loss/(gain) arising from change in financial assumptions	(0.19)	(0.10)
Actuarial loss/(gain) arising from change in demographic assumptions		
Actuarial loss/(gain) arising on account of experience changes	1.90	2.69
Benefits paid		
Defined benefit obligation as at the end of the year	8.68	2.61

Movement in Plan Assets

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
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	-	-
Fair value of plan asset as at the end of the year	-	-

Reconciliation of net liability/asset

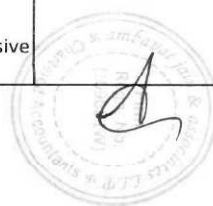
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net defined benefit liability/(asset) as at the beginning of the year	2.61	-
Adjustment to opening balance		
Expense charged to Statement of Profit and Loss	4.36	0.02
Amount recognised in other comprehensive income	1.71	2.59
Contributions Paid		
Net defined benefit liability/(asset) as at the end of the year	8.68	2.61

Expenses charged to the Statement of Profit and Loss

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service Cost	4.17	0.02
Net Interest Cost	0.19	-
	4.36	0.02

Remeasurement (gains)/losses in other comprehensive income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening amount recognised in other comprehensive income	-	-
Changes in financial assumptions	(0.19)	(0.10)
Changes in demographic assumptions	-	-
Experience adjustments	1.90	2.69
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	1.71	2.59



Provincial Finance And Leasing Co Private Limited
Notes to Financial Statement for the year ended March 31, 2023

Amount recognised in Balance Sheet

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Present value of funded defined benefit obligation	8.68	2.61
Fair value of plan assets	-	-
Net funded obligation	8.68	2.61
Amount not recognised due to asset limit	-	-
Net defined benefit liability/(assets) recognised in Balance Sheet	8.68	2.61

Key actuarial assumptions

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Discount rate (p.a.)	7.30%	7.10%
Salary escalation rate (p.a.)	10.00%	10.00%

Expected Payout:

Year	For the year ended March 31, 2023	For the year ended March 31, 2022
	PVO Payout	PVO Payout
Expected Outgo First	0.46	0.11
Expected Outgo Second	0.48	0.12
Expected Outgo Third	0.51	0.12
Expected Outgo Fourth	0.53	0.13
Expected Outgo Fifth	0.56	0.14
Expected Outgo Sixth to Tenth Years	6.10	3.18

Sensitivity analysis for significant assumptions is as shown below

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Impact of increase in 100 bps on discount rate	7.82	2.38
Impact of decrease in 100 bps on discount rate	9.69	2.88
Impact of increase in 100 bps on salary escalation rate	9.10	2.82
Impact of decrease in 100 bps on salary escalation rate	8.25	2.41
Impact of increase in 100 bps on withdrawal rate	8.75	2.50
Impact of decrease in 100 bps on withdrawal rate	8.58	2.75

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 31-03-2023 is Rs 21.72 lakhs



Provincial Finance And Leasing Co Private Limited

Notes to Financial Statement: for the year ended March 31, 2023

Note - 35

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. The quoted market price used for financial assets held by the Company is the current bid price. 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.

Financial Assets and Liabilities as at March 31, 2023	Carried at				Fair Value Hierarchy			Total
	FVTOCI	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	
<i>(Amount in lakhs)</i>								
Financial Assets								
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	-	-	-	-
	3,271.57	1,06,593.88	55,544.32	1,65,409.77	1,09,865.45	-	-	1,09,865.45
Financial Liabilities								
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	-	-	-	-
	-	1,39,601.63	6,849.41	1,46,451.04	1,208.47	1,38,393.16	-	1,39,601.63



Provincial Finance And Leasing Co Private Limited
Notes to Financial Statement for the year ended March 31, 2023

	Carried at			Total	Fair Value Hierarchy			Total
	FVTOCI	FVTPL	Amortised Cost		Level 1	Level 2	Level 3	
Financial Assets and Liabilities as at March 31, 2022								
Non-current financial assets								
Investments (quoted)	4,229.05	41,831.82	1,404.14	47,465.01	46,060.87	-	-	46,060.87
Cash and cash equivalents	-	-	20,197.58	20,197.58	-	-	-	-
Loans	-	-	4,545.53	4,545.53	-	-	-	-
Other financial assets	-	-	20,047.29	20,047.29	-	-	-	-
	4,229.05	41,831.82	46,194.54	92,255.41	46,060.87	-	-	46,060.87
Financial Liabilities								
Derivative financial instruments	-	2.06	-	2.06	2.06	-	-	-
Subordinated Liabilities	-	-	3,400.00	3,400.00	-	-	-	-
Debt Securities	-	68,045.86	-	68,045.86	-	68,045.86	-	68,045.86
Trade payables	-	-	14.89	14.89	-	-	-	-
Other financial liabilities	-	-	9.07	9.07	-	-	-	-
	-	68,047.93	3,423.96	71,471.89	2.06	68,045.86	-	68,045.86



NOTE - 34

Related Parties Disclosure

34.1 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

- Company Secretary - Ms Rupali Maini

Other enterprises which are under common control

- Agri Commodity Alpha LLP
- Alpha Alternatives Finserve Solutions LLP
- Alpha Alternative Investment Advisors LLP
- Alpha Alternatives Fund Advisors LLP
- Ebony Advisors LLP
- Ncube Ventures LLP
- Orex Opus Logistics Park Private Limited
- Purple Aster Ventures LLP
- Purple Clover Tree LLP
- Purple Orchid Tree LLP
- Silverleaf Oak Advisors LLP
- Third Alpha LLP
- Third Edge Advisors LLP
- Tritiya Ventures LLP
- Pinkstone Ventures LLP

Associated Enterprises of the Company

- Purple Orchid Hotel LLP

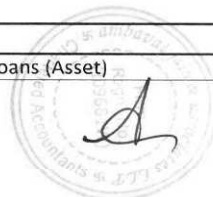
34.2 Transactions with Related Parties

(Amount in lakhs)

Name of Related Party and Nature of relationship	Nature of Transaction	2023	2022
		Transactional Value	Transactional Value
A) Holding Company			
Alpha Alternatives Holdings Private Limited	Business support charges paid	131.70	6.00
	Contribution to equity 11,25,000 shares of Rs 10 each at a premium of Rs. 390 each(PY 1,03,00,000 shares of Rs 10 each at a premium of Rs. 90 each)	4,500.00	10,300.00
	Issue of Non-Convertible Debentures	5,000.00	2,320.00
	Repayment of Non-Convertible Debentures	7,320.00	-
	Interest on Non-Convertible Debentures	329.35	4.84
B) Other enterprises which are under common control			
Ncube Ventures LLP	Loans given	9,690.00	1,411.14
	Loans repaid	6,090.00	511.14
	Interest Received	307.96	20.81
	Issue of Market Linked Debentures	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	-
Purple Clover Tree LLP	Purchase of NCDs	300.00	1,400.00
C) Key Management Personnel's			
Ms Rupali Maini	Remuneration Paid	3.50	-

34.3 Balances as at the end of the year:

Name of Related Party and Nature of relationship	Nature of Transaction	As at	As at
		March 31, 2023	March 31, 2022
A) Holding Company			
Alpha Alternatives Holdings Private Limited	Issue of Non-Convertible Debentures	-	2,320.00
B) Other enterprises which are under common control			
Ncube Ventures LLP	Loans (Asset)	4,600.00	1,000.00



Note - 36

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 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 - 37

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, cash and cash equivalents, financial assets measured at amortized cost.	Credit worthiness of Borrower, 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	Portfolio diversification, assessments of fluctuation in the equity price, Hedging
(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

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

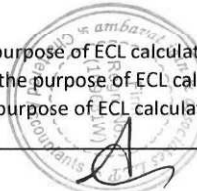
Definition of Default

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



Loans and advances/ Investments at amortised cost

The Company has advanced inter corporate loans during the reporting period.

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.

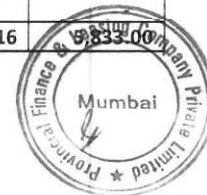
b) Liquidity risk

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, 2023

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



Provincial Finance And Leasing Co Private Limited
Notes to Financial Statement for the year ended March 31, 2023

As at March 31, 2022

Particulars	Carrying Amount	Total	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
Financial Assets							
Non Current Investments	4,229.05	4,229.05	-	-	-	4,229.05	-
Current Investments	43,235.97	43,235.97	43,235.97	-	-	-	-
Cash & Cash Equivalents	20,197.58	20,197.58	20,197.58	-	-	-	-
Advances	24,592.82	24,592.82	20,047.29	-	4,545.53	-	-
	92,255.41	92,255.41	83,480.83	-	4,545.53	4,229.05	-
Financial Liabilities							
Derivative financial instruments	2.06	2.06	2.06	-	-	-	-
Debt Securities	68,045.86	68,045.86	-	-	-	68,045.86	-
Subordinated Liabilities	3,400.00	3,400.00	-	-	-	-	3,400.00
Trade Payable	14.89	14.89	14.89	-	-	-	-
Other financial Liabilities	9.07	9.07	9.07	-	-	-	-
	71,471.89	71,471.89	26.02	-	-	68,045.86	3,400.00

c. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – 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

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, 2023.

Note 38 Analytical Ratios

Ratios Applicable	Formula	March 31, 2023	March 31, 2022
Capital to risk-weighted assets ratio (CRAR)	(Tier I Capital + Tier 2 Capital)/ Risk Weighted Assets	21.32%	29.36%
Tier I CRAR	Tier I Capital / Risk Weighted Assets	21.32%	25.23%
Tier II CRAR	Tier II Capital / Risk Weighted Assets	-	4.13%
Liquidity Coverage Ratio	High Quality Liquid Assets/ Net cash outflow for 30 days	Not applicable as per RBI circular RBI/DNBR/2016-17/45 Master Direction DNBR.PD.008/03.10.119/2016-17-Annex III	Not applicable as per RBI circular RBI/DNBR/2016-17/45 Master Direction DNBR.PD.008/03.10.119/2016-17-Annex III



Provincial Finance And Leasing Co Private Limited
Notes to Financial Statement for the year ended March 31, 2023

(5) Break-up of Investments						
Current Investments						
1. <u>Quoted</u>						
(i) Shares						
(a) Equity			2,995			-
(b) Preference			-			-
(ii) Debentures and Bonds			2,081			-
(iii) Units of mutual funds			29,810			41,832
(iv) Government Securities			71,708			-
(v) Other			44,992			30,009
2. <u>Unquoted</u>						
(i) Shares						
(a) Equity			-			-
(b) Preference			-			-
(ii) Debentures and Bonds			-			-
(iii) Units of mutual funds			-			-
(iv) Government Securities			-			-
(v) Others (please specify)			-			-
Long Term investments						
1. <u>Quoted</u>						
(i) Share						
(a) Equity			3,272			4,229
(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			3,814			1,404
(iii) Units of mutual funds			-			-
(iv) Government Securities			-			-
(v) Others (please specify)			-			-
(6) Borrower group-wise classification of assets financed as in (3) and (4) above :			As at March 31, 2023			As at March 31, 2022
Category	Amount net of provisions			Amount net of provisions		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties **						
(a) Subsidiaries	-	-	-	-	-	-
(b) Same group Companies	-	-	-	-	-	-
(c) Other related parties	-	4,600	4,600	-	1,000	1,000
2. Other than related parties	-	-	-	-	3,500	3,500
		4,600	4,600	-	4,500	4,500
(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) : Please see note 3 below			As at March 31, 2023			As at March 31, 2022
Category	Market Value	Book Value (Net of Provisions)		Market Value	Book Value (Net of Provisions)	
1. Related Parties **						
(a) Subsidiaries	-		-	-		-
(b) Same group Companies	-		-	-		-
(c) Other related parties	-		-	-		-
2. Other than related parties	1,58,671		1,58,367	77,474		77,563
	1,58,671		1,58,367			
** As per Accounting Standard of ICAI (Please see Note						



Provincial Finance And Leasing Co Private Limited
Notes to Financial Statement for the year ended March 31, 2023

(8) Other information	As at March 31, 2023 Amount	As at March 31, 2022 Amount
Particulars		
(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	-	-

Notes:

- As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- 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.
- 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.

Disclosure in respect of Paragraph 70 of "Non-Banking Financial Company-Systematically Important Non-Deposit taking Company (Reserve Bank) Directions,2016"

Particulars	March 31, 2023	March 31, 2022
i) CRAR (%)	21.32%	29.36%
ii) CRAR - Tier I Capital (%)	21.32%	25.23%
iii) CRAR - Tier II Capital (%)	-	4.14%
iv) Amount of subordinated debt raised as Tier-II capital	300	3,400
v) Amount raised by issue of Perpetual Debt Instruments	-	-

Particulars	March 31, 2023	March 31, 2022
(1) Value of Investments		
(i) Gross Value of Investments	1,58,671	77,474
(a) In India	1,58,671	77,474
(b) Outside India,	-	-
(ii) Provisions for Depreciation	-	-
(a) In India	-	-
(b) Outside India,	-	-
(iii) Net Value of Investments	1,58,671	77,474
(a) In India	1,58,671	77,474
(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	-	-

Derivatives

- There were no Forward Rate Agreements/Interest Rate Swaps entered into by the company during the current & previous year.
- There were no Exchange Traded Interest Rate (IR) Derivatives entered into by the company during the current & previous year.



Provincial Finance And Leasing Co Private Limited
Notes to Financial Statement for the year ended March 31, 2023

Securitisation

- 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.

Purchase/Sale of Non-performing financial Assets

Particulars	Amount
No of Accounts purchased /sold -	-
Aggregate outstanding	-
Aggregate consideration received	-

Exposures

i) Real estate exposures undertaken by the company are as under

Category		March 31, 2023	March 31, 2022
a)	Direct Exposure		
(i)	Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	-
(ii)	Commercial Real Estate - 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)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
	i. Residential	-	-
	ii. Commercial real estate	-	-

Particulars	March 31, 2023	March 31, 2022
(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;	6,267	4,229
(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	-	-
(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 I 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;	-	-
(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)	-	-



Provincial Finance And Leasing Co Private Limited
Notes to Financial Statement for the year ended March 31, 2023

Related Party Disclosure

All material transactions with related party are covered in Note 34

Remuneration to Directors

No remuneration has been paid to Directors of the company

Details of Single Borrower Limits (SGL) / Group Borrower Limits (GBL)

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.

Concentration of Deposits, Advances, Exposures and NPAs

i) **Concentration of Deposits:** Not Applicable

ii) **Concentration of Advances**

Particulars	Amount
Total Advances to ten largest borrowers	4,600
Percentage of Advances to ten largest borrowers to Total Advances of the NBFC	100%

iii) **Concentration of Exposure**

Particulars	Amount
Total exposure to ten largest borrowers	4,600
Percentage of exposure to ten largest borrowers to Total exposures of the NBFC	100%

Rating assigned by Credit Rating Agencies

The following additional information is disclosed in the terms of Master Direction • Non-Banking Financial Company- Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions. 2016 issued vide Master Direction DNBR PD. 008/03.10. 19/2016-17

Instrument	Rating Agency	Rating as on March 31, 2023	Rating as on March 31, 2022
Market Linked Debentures	Acute Ratings and Research Limited	BB+	BB+

Disclosure on liquidity risk

As required in terms of paragraph 3 of RBI Circular RBI/2019-20/88 DOR NBFC (PD) CC No.102/03.10.001/2019-20

a) Funding Concentration based on significant counterparty (both deposits and borrowings)

Particulars	March 31, 2023
Number of significant counterparties*	20
Amount of borrowings from significant counterparties	80,348
% of Total deposits	NA
% of Total liabilities**	54.78%

* "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) Top 20 large deposits

The Company being a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with Reserve Bank of India does not accept public deposits.

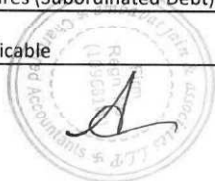
c) Top 10 Borrowings

Particulars	March 31, 2023
Amount of Borrowings from top 10 lenders	61,683
% of Total Borrowings	44.57%

d) Funding Concentration based on significant instrument/product

Particulars	March 31, 2023
Debentures	
Non Convertible Debentures (Market Linked Debentures)	1,07,450
Non Convertible Debentures (Subordinated Debt)	-

e) **Stock Ratios:** Not Applicable



Provincial Finance And Leasing Co Private Limited
Notes to Financial Statement for the year ended March 31, 2023

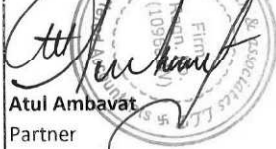
There are no transactions / Balances / Investment with Strike off companies. Also no equity shares of the company are held by strike off companies.

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 Ambavat Jain & Associates LLP

Chartered Accountants
Firm's Registration No.: 109681W



Atul Ambavat
Partner

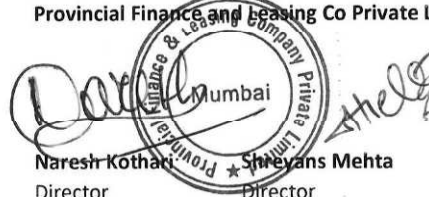
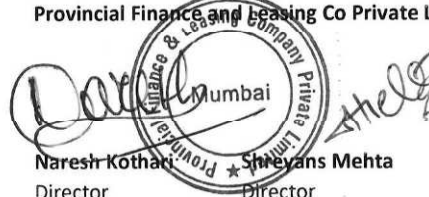
Membership No. : 113731

Mumbai

Date: 15th May, 2023

UDIN: 23113731BGWTK3800

For and on behalf of the Board of Directors of
Provincial Finance and Leasing Co Private Limited



Naresh Kothari **Shreyans Mehta**
Director Director

DIN : 00012523

Mumbai

DIN : 06756771

Mumbai



Rupali Maini

Company Secretary &
Compliance Officer

Membership No : A64083

Mumbai