

September 05, 2024

To,  
**Listing Department**  
**National Stock Exchange of India Limited**  
Exchange Plaza, 5<sup>th</sup> 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 27, 2024 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, 2024 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:

- Copy of Notice of AGM
- Copy Annual Report for the FY 2023-2024

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

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

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

**NOTICE**

**Notice** is hereby given that the 31<sup>st</sup> 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 27<sup>th</sup> day of September 2024 at 12:00 p.m. (IST) at the Registered Office of the Company at 34<sup>th</sup> 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, 2024, 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, 2024, 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. KKC & Associates LLP (FRN: 105146W/ W100621), as the Statutory Auditors of the Company, with effect from 01<sup>st</sup> August, 2024, to fill in the casual vacancy caused by the resignation of M/s NDAA & Associates LLP (Firm Registration No. 129486W / W100775) 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. KKC & Associates LLP (FRN: 105146W/ W100621), as the Statutory Auditor of the Company, to hold office from the conclusion of this Annual General Meeting (“AGM”) till the conclusion of the 34<sup>th</sup> 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:** 05/09/2024

**Registered Office:**

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

CIN: U65923MH1993PTC075162

**NOTES:**

1. 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.
2. **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.
3. 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.
4. Members / proxies / authorized representatives should bring the duly filled attendance slip enclosed herewith to attend the meeting.
5. 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 Thirtieth Annual General Meeting ('AGM') held on 29<sup>th</sup> September 2023, had approved the appointment of M/s NDAA & Associates LLP (Firm Registration No. 129486W / W100775), as the Auditors of the Company for a term of three years, till the conclusion of the 33<sup>rd</sup> AGM to be held in the year 2024.

M/s NDAA & 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 01<sup>st</sup> August, 2024, 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. KKC & Associates LLP (FRN: 105146W/ W100621) 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 M/s. KKC & Associates LLP, as the Auditors of the Company:

- (a) to fill the casual vacancy caused by the resignation of M/s NDAA & Associates LLP 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 34<sup>th</sup> AGM of the Company to be held in the year 2027.

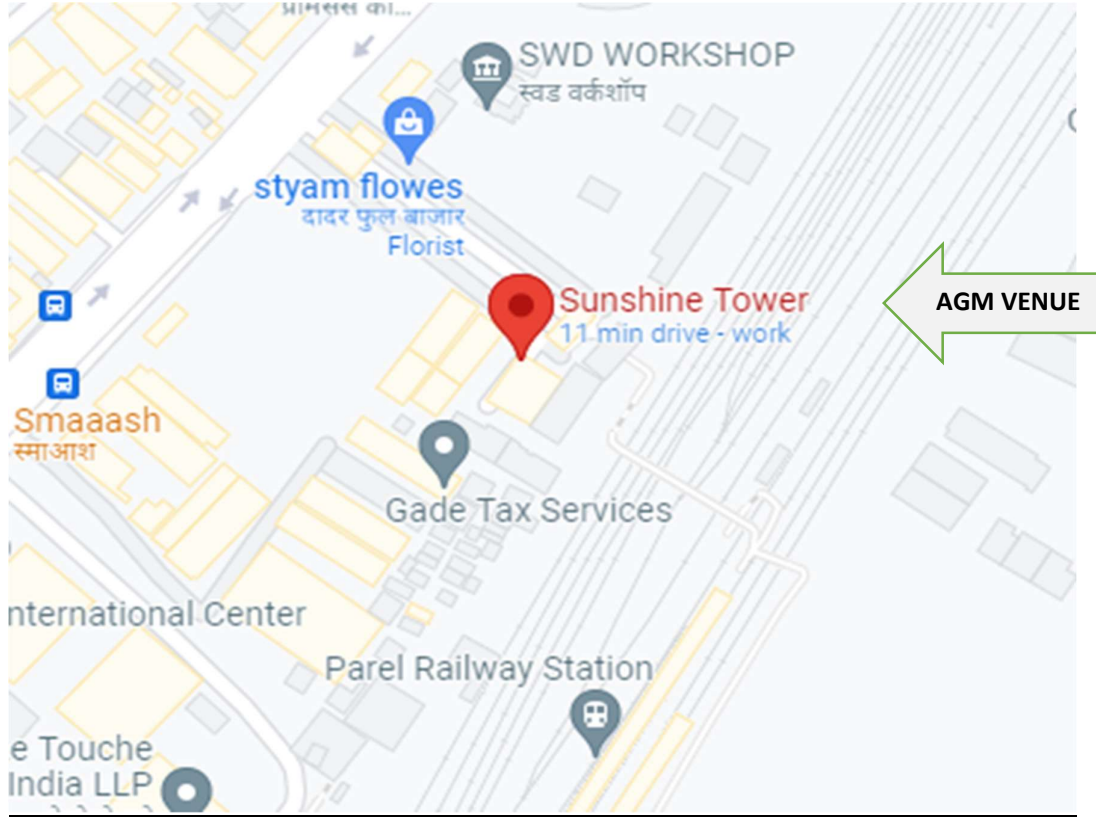
**Brief of M/s. KKC & Associates LLP:**

M/s. KKC & Associates LLP (**Formerly known as Khimji Kunverji & Co LLP**), a partnership firm established in 1936, has been successfully carrying out its professional activities to facilitate timely and prompt services to its clients. The 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 34<sup>th</sup> 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: 34<sup>th</sup> floor, Sunshine Tower, Senapati Bapat Marg, Near Kamgar Krida Maidan, Dadar West,  
Mumbai - 400 013, India*

*Email: [info@alt-alpha.com](mailto:info@alt-alpha.com) (B) +91 22 6145 8900 (W): [www.fin.alt-alpha.com](http://www.fin.alt-alpha.com)*

**31<sup>st</sup> ANNUAL GENERAL MEETING****ATTENDANCE SLIP****(To be presented at the entrance)**

CIN: U65923MH1993PTC075162

**Registered office:** 34<sup>th</sup> 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 31<sup>st</sup> Annual General Meeting of the Company held on Friday the 27<sup>th</sup> day of September 2024 at 12:00 p.m. at the registered office of the Company at 34<sup>th</sup> 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 31st Annual General Meeting of the Company, to be held on Friday the 27th day of September 2024 at 12:00 p.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:

Table with 4 columns: Sr. No., Resolutions, For, Against. Row 1: To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2024, together with the reports of the Board of Directors and Auditors thereon. Row 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)

**31<sup>st</sup> Annual Report (2023-24)**

**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:**

NDA & Associates LLP (resigned w.e.f. 01<sup>st</sup> August, 2024)  
KKC & Associates LLP (appointed w.e.f 01<sup>st</sup> August, 2024)

**Registered Office:**

34<sup>th</sup> 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](mailto: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 31<sup>st</sup> Board's Report on the business, operations and state of affairs of the Company together with the Audited Financial Statements for the financial year ended March 31, 2024:

**FINANCIAL HIGHLIGHTS:**

The summary of the Company's financial performance, for the financial year ("FY") 2023-24 as compared to the previous FY 2022-23 is given below:

(Amount in Lakhs)

Particulars	FY 23-24	FY 22-23
Gross Income	70,488.04	31,041.53
Less:		
Finance Costs	43,643.56	20,306.02
Impairment on financial instruments	-	-
Employee benefit expenses	3,549.85	1,477.83
Depreciation, amortization and impairment	1.17	1.80
Others expenses	4,926.62	3,400.24
Profit before tax	18,366.84	5,855.64
Less: Provision for Tax	4,616.04	1,473.50
Profit after tax	13,750.79	4,382.14
Other Comprehensive Income	3,598.97	-805.36
Less: Tax on Other Comprehensive Income	-400.85	84.01
Other Comprehensive Income attributable to the owners of the Company	3,198.12	-721.35
Total Comprehensive Income attributable to the owners of the Company	16,948.91	3,660.79
Amount brought forward from previous year	3,543.53	21.02
Ind AS 116 transition impact net of tax	-	-
Amount transferred from Other Comprehensive Income	-86.02	16.80
Amount available for appropriation	17,208.31	4,419.96
Appropriations:		
Special Reserve Account	2,750.16	876.43
Interim Dividend on Equity Shares (Including Tax on Dividend)	-	-
Surplus carried to Balance Sheet	14,458.15	3,543.53

**INFORMATION ON THE STATE OF AFFAIRS OF THE COMPANY:**

Your Company, a wholly-owned subsidiary of Alpha Alternatives Holdings Private Limited (AAHPL), operates as a Non-Deposit taking Non-Banking Financial Company (NBFC-ND). The Company is a Middle Layer NBFC in accordance with the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, as amended from time to time. Holding the Certificate of Registration since April 7, 1998, the Company continues to contribute to the financial landscape with innovation and stability.

The Company's gross Income stood at Rs.70,488.04 lakhs (FY 2022-2023: Rs.31,041.53 lakhs). The Company's Profit Before Tax was Rs. 18,366.84 lakhs (FY 2022-2023: Rs. 5,855.64 lakhs) and the Profit After Tax was Rs. 13,750.79 lakhs (FY 2022-23: Rs. 4,382.14 lakhs).

As required under Section 451C 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. 2,750.16 lakhs (FY 2022-23: Rs. 876.43 lakhs), has been transferred to the said Reserve. Further, an amount of Rs. 14,458.15 lakhs (FY 2022-23: Rs. 3,543.53 lakhs) 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, 2024, 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"), RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24- Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023 ("RBI Scale Based Regulations") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("SEBI Listing Regulations").

**DIVIDEND:**

Your Director's 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. 18,50,00,000/- divided into 15,00,000 Equity Shares of the face value of Rs. 10/- each and 35,00,000 Preference Shares of the face value of Rs. 10/- each to Rs. 21,00,00,000/- divided into 1,75,00,000 Equity Shares of the face value of Rs. 10/- each and 35,00,000 Preference Shares of the face value of Rs. 10/- each.

**(ii) Allotment of Equity Shares:**

The Company had issued and allotted 4,38,612 and 5,00,000 Equity Shares of the face value of Rs. 10/- each at a premium of Rs. 784/- each at an Issue Price of Rs. 794/- each aggregating to Rs. 34,82,57,928/- and 39,70,00,000/- on rights basis to Alpha Alternatives Holdings Private Limited on October 25, 2023 and February 6, 2024 respectively.

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

The Company had issued and allotted:

- (i) on April 3, 2023, 2,50,000 CCCPS at premium of Rs. 390/- per CCCPS at an Issue Price of Rs. 400/- each aggregating to Rs. 10,00,00,000/- on preferential basis to Silvia Ventures LLP; and
- (ii) on February 27, 2024, 4,53,399 CCCPS at premium of Rs. 784/- per CCCPS at an Issue Price of Rs. 794/- each aggregating to Rs. 35,99,98,806/- on preferential basis to Harshvardhan Properties Private Limited, Yashvardhan Estate and Developers Private Limited and Sargam Retails Private Limited.

Consequently, as on March 31, 2024, the total paid-up share capital of the Company stood at Rs.17,66,16,490/- divided into 1,55,00,000 Equity Shares of Rs.10/- each aggregating to Rs.15,50,00,000/- and 21,61,649 Preference Shares of Rs. 10 each aggregating to Rs.2,16,16,490/-.

**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.

The Company continues to be a wholly-owned subsidiary of Alpha Alternatives Holdings Private Limited ("Holding Company").

**BORROWINGS:**

During the year, the Company has issued Non-Convertible Debentures ("NCDs") from time to time on a private placement basis to various eligible investors.

The aggregate debt (NCDs) outstanding as on March 31, 2024, was Rs. 2,719.42 crore (Face Value). The Debt / Networth ratio as on March 31, 2024, was 8.81 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, 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, 2024, 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 2023-24, 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 III**.

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 financial year 2023-24.

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:**

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 Regulations 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:**

Mr. Shreyans Mehta, continued to be the Executive Director of the Company.

**(iii) Non-executive Directors:**

Mr. Naresh Kothari, continued to be the Non-executive Non-Independent Director of the Company.

**(iv) Key Managerial Personnel:**

Ms. Rupali Maini continued to be the Company Secretary and Compliance Officer of the Company. Further, Mr. Jay Paleja was appointed as the Chief Financial Officer of the Company, with effect from December 26, 2023.

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

**NUMBER OF BOARD MEETINGS HELD:**

During the year ended March 31, 2024, the Board met Eighteen (18) 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 IV** 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 Act, Regulation 94.1 of the RBI Scaled Based Regulations and Regulation 18 of the SEBI Listing Regulations, the Audit Committee of the Company comprises of the following Directors as its members:

Mr. Pradeep Parakh	-	Independent Director (Chairperson)
Mrs. Bharati Aindley	-	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, SEBI Listing Regulations and RBI Scaled Based Regulations. During the year ended March 31, 2024, the Committee met Seven (7) times.

Further details of the Audit Committee are provided in the Corporate Governance Report, enclosed as **Annexure IV**, 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 94.2 of the RBI Scaled Based Regulations and Regulation 19 of the SEBI Listing Regulations, the Nomination and Remuneration Committee of the Company comprises of the following Directors as its members:

Mrs. Bharati Aindley	-	Independent Director (Chairperson)
Mr. Pradeep Parakh	-	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, SEBI Listing Regulations and RBI Scaled Based Regulations. During the year ended March 31, 2024. During the year ended March 31, 2024, the Committee met Two (2) times.

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

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

#### **CORPORATE SOCIAL RESPONSIBILITY:**

The net profit of the Company for the Financial Year 2023-2024 has triggered the limit as specified under Section 135 of Companies Act, 2013. Further, as on March 31, 2024, the requirement for constitution of the Corporate Social Responsibility Committee was 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.alt-alpha.com/policies-codes>.

The Annual Report on CSR activities as required to be given under Section 135 of the Companies Act, 2013 read with Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is appended to this Report as **Annexure II**.

#### **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 V** 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 2024, 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, 2024. 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 January 29, 2024, 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 Regulations 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 their Annual General Meeting held on September 29, 2023, appointed M/s. NDAA & Associates LLP ("NDAA"), as the Auditors of the Company for a term of three years till the conclusion of the 33<sup>rd</sup> Annual General Meeting to be held in the year 2026.

The Report of the Auditors on the financial statements for the financial year ended March 31, 2024, 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.

The Board has received resignation from NDAA as the Auditors of the Company, expressing their inability to continue, as NDAA believed that the statutory audit fee proposed to be fixed by the Company for the FY 24-25 would not be commensurate with the efforts that they would be incurring to conduct the audit in accordance with Standards on Auditing specified u/s 143(10) of the Act and various RBI regulations applicable to the Company, resulting in a casual vacancy in the office of the Auditors of the Company, as per Section 139(8) of the Act.

Accordingly, based on the recommendation of the Audit Committee and the confirmation received from M/s. KKC & Associates LLP (FRN: 105146W/ W100621) 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, subject to the approval of members in the ensuing AGM, has approved the appointment of M/s. KKC & Associates LLP, as the Auditors of the Company:

- (a) to fill the casual vacancy caused by the resignation of NDAA 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 34th AGM of the Company to be held in the year 2027.

The resolutions for appointment of M/s. KKC & Associates LLP, as statutory auditors of the Company forms part of the Notice of the AGM 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, 2024. The Report of the Secretarial Auditor is provided as **Annexure VI** to this Report.

There were no qualification/observation of the Secretarial Auditors.

**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, 2024, shall be 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, 2024, 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:**

The Corporate Governance Report, with the certificate issued by M/s. Sahani & Kothari Associates, Practicing Company Secretaries', for the year under review prepared in accordance with the Part C of Schedule V of SEBI Listing Regulations and as required under the RBI Scale Based Regulation, forms part of this Annual Report. Further, the additional disclosure requirements for NBFCs in accordance with the aforesaid RBI Scale Based Regulation forms part of the Corporate Governance Report.

**DECLARATION BY THE DIRECTOR:**

A declaration by the Executive Director in terms of Para D of Schedule V to the SEBI Listing Regulations, 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”), RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24-Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023 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 18.05% as on March 31, 2024, which is more than the prescribed minimum ratio of 15%.

The NCDs issued on a private placement basis are listed on National Stock Exchange of India Limited (“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 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 Director’s 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 Director’s 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: 05/09/2024

**MANAGEMENT DISCUSSION & ANALYSIS****THE COMPANY:**

Alpha Alternatives Financial Services Private Limited (herein after referred as "AAF SPL") is registered as a Non-Banking Financial Company not accepting public deposits with the Reserve Bank of India ("NBFC-ND"). The Company is engaged in investments and not primarily involved in lending activities. The Company is a Middle Layer NBFC in accordance with the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, as amended from time to time ("RBI Scale Based Regulations").

**FINANCIAL PERFORMANCE HIGHLIGHTS:****Financial Highlights for FY24:**

A summary of our FY24 financial highlights together with FY23 financials as per Ind-AS is as under:

- Total Revenue Rs. 70,488.04 lakhs (Rs. 31,041.53 lakhs for FY23);
- Profit after Tax Rs. 13,750.80 lakhs (Rs. 4,382.14 lakhs for FY23); and
- Net worth (as per Ind-AS) Rs. 43,166.19 lakhs (Rs. 18,764.71 lakhs at the end of FY23).

**Revenue:**

*The Company is an NBFC-ND, and the major revenue of the Company is represented by Investing activities.*

**Expenses:**

Our total costs for FY24 were Rs. 52,121.20 lakhs (Rs. 25,185.89 lakhs in FY23). Within our total costs, operating expenses were Rs. 4,926.62 lakhs in FY24 (Rs. 3400.24 lakhs in FY23). Our employee expenses were Rs. 3,549.85 lakhs in FY24 (Rs. 1477.83 lakhs in FY23). The interest expense were Rs. 43,643.56 lakhs in FY 24 (Rs. 20,306.02 lakhs in FY23).

**Profit After Tax:**

Our Profit after Tax for FY24 was Rs. 13,750.80 lakhs compared to Profit after Tax of Rs. 4,382.14 lakhs for FY23.

Our Profit before Tax margin for FY24 was 26.06 % compared to 18.86 % for FY23. Our Profit after Tax margin for FY24 was 19.51% compared to 14.12 % for FY23.

**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 as well as add liabilities commensurate with our assets profile.

**CAPITAL ADEQUACY RATIO:**

As per the RBI Scale Based Regulations, all middle layer NBFC's are required to maintain a minimum Capital to Risk-weighted Assets Ratio ("CRAR") of 15%. Company's total CRAR as on March 31, 2024 was 18.05% with a Tier I Ratio of 12.20% and Tier II ratio of 5.85% compared to 21.32%, 21.32% and Nil respectively as on March 31, 2023.

**GLOBAL ECONOMY: REVIEW**

The global economy demonstrated robust growth over the last year, defying widespread recession fears that loomed over developed nations in 2023. Throughout the past seven quarters, systemically important G20 nations have maintained an average growth rate of approximately 2.5%. This performance aligns closely with the pre-Covid-19 pandemic growth levels, underscoring a resilient global economic landscape.

However, the growth narrative was not uniform across the board. While some European countries like Germany and the United Kingdom faced economic contractions, emerging markets exhibited a more dynamic trajectory. Notably, countries such as Russia, China, and Indonesia reported significantly higher growth rates. India, in particular, emerged as a frontrunner, leading the growth charge among its peers.

Even the United States, where a recession was widely anticipated, managed to outperform expectations, further contributing to a positive global economic outlook. This diverse economic performance across various regions highlights the complex interplay of regional policies, market dynamics, and consumer behaviours influencing the global economy.

As we navigate the evolving economic conditions, it is imperative for businesses and investors to consider these disparities and their potential implications on global markets and investment strategies.

**GLOBAL ECONOMY: OUTLOOK**

Despite a somewhat bleak outlook for the manufacturing sector across many major European countries, the Purchasing Managers' Index (PMI) for manufacturing in other key global markets has shown encouraging signs of recovery. Notably, countries such as India, Indonesia, Brazil, Mexico, the United States, and China have demonstrated significant improvements in recent months. This trend suggests a potential rebound in manufacturing activities, driven by robust domestic demand and improved business confidence.

In the services sector, the PMI indicators are more uniformly positive, portraying an optimistic scenario for near-term economic activities across the major economies, with the exception of France. This expansion in service activities indicates resilience and adaptability in consumer demand and business services, which continue to support overall economic momentum.

Looking ahead to 2024, the global economic outlook appears more subdued compared to 2023, although it is not without positive signs. Current projections suggest that while no major economy is expected to slip into a severe recession, a cautious approach remains prevalent. Observers, particularly in the United States, anticipate a 'soft landing' scenario. This expectation is grounded in the belief that a moderate slowdown in growth, supported by accommodative fiscal policies and timely adjustments by central banks, will help avert a full-blown recession. This cautious optimism underscores the importance of continued vigilance and strategic policy interventions to sustain economic stability and growth.

**INDIAN ECONOMY: REVIEW**

Since 2015, India has consistently emerged as one of the fastest-growing major economies. Despite a significant contraction due to the global pandemic, India has reclaimed its position as a leader in global growth rates. According to projections by the International Monetary Fund (IMF), India is expected to remain the fastest-growing major economy over the next five years, with an anticipated real growth rate of 6-7%.

India has witnessed a substantial decline in inflation rates, particularly in core inflation, which covers non-food and nonfuel items. Core inflation has fallen below the target set by the Reserve Bank of India (RBI), marking a significant easing of price pressures in these categories. However, overall retail inflation remains around 5%, still above the RBI's target. This persistently higher rate is largely driven by elevated food prices, which continue to exert upward pressure on the overall inflation figures.

Despite these challenges, there is optimism that the trend in retail inflation will continue to decline. Projections suggest that by the second half of 2024, retail inflation could approach the RBI's monetary policy target of 4%. This anticipated alignment with the target reflects expected improvements in food price stability and ongoing economic adjustments.

The RBI has maintained the policy rate at its current level despite robust economic growth and relatively high retail inflation. This decision underscores the central bank's cautious approach, balancing growth considerations with the need to manage inflation expectations. Given the current economic indicators, it appears unlikely that the RBI will initiate rate cuts in the near future. This stance is in contrast to trends in several European countries, where policy rate cuts have already commenced. Additionally, there is speculation that both the European Central Bank and the Federal Reserve might start reducing their rates soon.

However, the RBI's reluctance to lower the policy rate reflects a strategic focus on ensuring sustained economic stability rather than reacting to transient fluctuations in inflation. This approach suggests that the RBI is prepared to maintain tighter monetary conditions to anchor inflation expectations, even as other major central banks may begin easing their policies.

### **INDIAN ECONOMY: OUTLOOK**

India has continued its trajectory of robust economic performance, having achieved an impressive growth rate of 7.6% in the fiscal year 2023-24. For the current fiscal year, projections remain optimistic, with an anticipated GDP growth rate close to 7%. This forecast positions India as one of the fastest-growing major economies globally, reflecting strong fundamental economic health.

India's economic outlook is bolstered by consistently high near-term indicators relative to other major countries. The Purchasing Managers' Index (PMI) for both manufacturing and services sectors indicates sustained economic activity. These indices serve as key indicators of the overall economic health, with high readings suggesting expansion and underscoring India's dynamic economic environment.

Despite expectations of a moderate slowdown in investment activities from their current elevated levels, there is optimism regarding a resurgence in private consumption, which could drive further economic growth. This anticipated shift may balance the slight deceleration in investment, supporting overall economic stability.

### **CAPITAL MARKETS: OVERVIEW AND OUTLOOK**

In 2023, the global economic landscape defied initial expectations of a recession amid concerns over rising interest rates, inflation, and a shift from quantitative easing to tightening measures by the central banks worldwide.

Notably, despite a contraction in money supply globally, the world GDP surpassed projections, driven by strong growth in Japan and the US, which recorded GDP growth rates of 4.8-4.9% in certain quarters, outpacing emerging markets.

Despite the fear of recession, the US and Japan ended the year with GDP growth rates of 2.6% and 2%, respectively, albeit at the expense of increased fiscal spending. While global equity markets thrived, with NASDAQ rising by 39%, Nikkei by 24%, and India by 18%, emerging markets, particularly China, remained subdued, experiencing a decline of approximately 13%.

The outlook for equity markets in 2024 appears more promising than in 2023, primarily due to the anticipated decrease in interest rates, which lowers the cost of capital and enhances earnings potential. India is expected to outperform its peers due to stable economic growth and earnings.

Despite contributing incrementally to global GDP, India accounts for only a small portion of world profits and MSCI world indices. India's partnership with Russia helps mitigate risks related to crude oil prices, but key risks include the outcome of the 2024 elections and geopolitical tensions abounding in the Middle East. Post-elections, there is potential for increased foreign institutional investment (FII) ownership and inclusion in JP EM bond indices, leading to record inflows for the country.

### **DEBT MARKET: OVERVIEW AND OUTLOOK**

The bond market outlook appears favourable, with a benign rate environment expected. Monetary policy will likely continue to focus on disinflation, closely monitoring global cues and events. Despite the steady easing of core inflation, volatile food inflation remains a concern.

There is a visible path towards achieving a ~4% inflation target, with potential policy rate cuts anticipated, particularly in Q2 FY24, with an estimated total of 50bps rate cuts in the next financial year.

In the global landscape, the US economy faces concerns as its yield curve has inverted since July 2022, signalling a potential recession by May 2024. The Federal Reserve's dovish stance and rate cut guidance may influence market dynamics, with expectations of cumulative rate cuts of 75 bps in 2024 and another 100 bps in 2025. However, the recent strength in jobs data, and sticky inflation, may prompt the US Fed to hold on to its unprecedentedly high rates for longer.

Meanwhile, the European Central Bank (ECB) faces pressure for rate cuts amid deteriorating economic momentum, with 125 bps of cuts priced in for 2024. China's growth challenges support loose monetary policies, while the Bank of Japan (BOJ) maintains a tight stance amidst uncertainties.

On the domestic front, India's economy enjoys stability, with robust growth and controlled core inflation. The RBI is anticipated to initiate liquidity easing, with further policy adjustments contingent on global developments.

Inflation forecasts remain conservative, with CPI expected to ease to 4.0-4.5% in H2 2024. Further, the International Monetary Fund (IMF) has revised India's growth forecast for FY25 upward to 6.8% from the previous estimate of 6.5%. This adjustment is attributed to robust domestic demand and the increasing size of the working-age population. Concurrently, the RBI has projected a growth rate of 7% for the ongoing financial year.

MPC members favour a real rate of around 1.50%, suggesting room for rate cuts. Fiscal indicators remain favourable, with strong tax collections and front-loaded capital expenditure. The government's commitment to fiscal targets instils confidence, with supply of government securities likely to remain stable despite growing demand. Inclusion in global bond indices is anticipated to attract significant inflows, reducing long-term funding costs.

Preference for spread instruments, particularly in the corporate and state bond segments, is expected to increase, with spreads likely to peak and become attractive. Short-medium term yield curves are projected to outperform longer maturities, with the 10-year benchmark paper trading between 7.10% and 7.20% in the near term.

Additionally, the corporate bond credit space appears attractive, with widened spreads presenting opportunities for investors. Overall, the bond market outlook remains dynamic, with evolving macroeconomic factors and market repricing contributing to potential volatility.

#### **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.
- 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	2024	2023	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)	8.81	7.69	14.5%	Due to increase in issue of MLDs and CCPS during FY 2023-24
6	Operating Profit Margin	-	-	NA	NA
7	Net Profit Margin	19.5%	14.1%	39.3%	

Further, Return on Net Worth is 31.86% at the end of FY24 compared to 23.35% at the end of FY23.

**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; and
- c) High risk: Risk associated with financial assets classified under Stage 3 for the purpose of ECL calculation

**B) 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.

**C) 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.

**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: 05/09/2024

**Annual Report on the Corporate Social Responsibility (CSR) activities  
for the financial year 2023 – 2024**

**[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]**

**1. Brief outline on CSR Policy of the Company:**

The Corporate Social Responsibility (CSR) policy under the Companies Act 2013 mandates that certain qualifying companies allocate a portion of their profits towards socially responsible initiatives. This policy requires such companies to spend at least 2% of their average net profits over the previous three financial years on projects related to education, healthcare, environment, poverty alleviation, and more. The policy necessitates the establishment of a CSR committee, composed of company representatives and independent directors, to oversee the formulation and implementation of CSR projects. Regular reporting and disclosure of CSR activities in annual reports are also mandatory. The policy aims to encourage businesses to contribute positively to society and promote sustainable development while enhancing transparency and accountability in corporate actions. The Board of Directors along with its Management and all the employees of the Company subscribe to the philosophy of compassionate care. The Company believes and acts on an ethos of generosity and compassion, characterized by a willingness to build a society that work for everyone.

**2. Composition of CSR Committee:**

Pursuant to Section 135 (9) of the Companies Act, 2013, where the amount to be spent by the Company does not exceed Rupees Fifty Lakh, the requirement for constitution of the CSR Committee shall not be applicable. The Company's CSR obligation for the financial year 2023-2024 remains under Rs. 50 lakhs. In this regard, the functions of the CSR Committee were discharged by the Board of Directors.

3. Provide the web-link where ~~Composition of CSR committee~~, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: [www.fin.alt-alpha.com/](http://www.fin.alt-alpha.com/)

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: **Not Applicable**

5.

(a)	Average net profit of the Company as per section 135(5):	Rs. 22,63,59,906/-
(b)	Two percent of average net profit of the company as per section 135(5)	Rs. 45,27,198/-
(c)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	<b>Not Applicable</b>
(d)	Amount required to be set off for the financial year, if any	Not Applicable
(e)	<b>Total CSR obligation for the financial year [(b)+(c)-(d)] (Rounded off)</b>	Rs. 45,27,198/-

6.

(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **Rs. 46,00,000/-**

(b) Amount spent in Administrative Overheads: NIL

(c) Amount spent on Impact Assessment, if applicable: Not Applicable

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: **Rs. 46,00,000/-**

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs. 46,00,000/-	--	--	--	--	--

(f) Excess amount for set-off, if any: **Not Applicable**

Sr. No.	Particulars	Amount (in Rs.)
(a)	Two percent of average net profit of the company as per sub-section (5) of section 135	Rs. 45,27,198/-
(b)	Total amount spent for the Financial Year	Rs. 46,00,000/-
(c)	Excess amount spent for the Financial Year [(ii)-(i)]	Rs. 72,802/-
(d)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
(e)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	-

Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

Sr. no.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under Section 135 (6) (in Rs.)	Balance Amount in Unspent CSR Account under Section 135 (6) (in Rs.)	Amount Spent in the Financial Year (in Rs.)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to Section 135(6), if any		Amount remaining to be spent in succeeding Financial Years (in Rs.)	Deficiency, if any
					Amount (in Rs.)	Date of Transfer		
NIL								

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes  No

If Yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset (s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR	Name	Registered
NIL							

*(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)*



9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135: **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**

Place: Mumbai

Date: 05/09/2024

**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:

<b>Sr. No.</b>	<b>Name(s) of the related party and nature of relationship</b>	<b>Nature of contracts / arrangements / transactions</b>	<b>Duration of the contracts / arrangements/ transactions</b>	<b>Salient terms of the contracts or arrangements or transactions including the value, if any (Amount in Lakhs)</b>	<b>Date(s) of approval by the Board / Audit Committee</b>	<b>Amount paid as advances, if any</b>
1	Alpha Alternatives Holdings Private Limited	Business support charges paid	One Year	100	06 <sup>th</sup> February, 2023	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**

Place: Mumbai

Date: 05/09/2024

**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, 2024, 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 2023-24, the Board met 18 (Eighteen) times i.e. on April 01, 2023, April 12, 2023, May 05, 2023, May 15, 2023, May 30, 2023, July 28, 2023, September 18, 2023, September 22, 2023, October 17, 2023, October 20, 2023, October 30, 2023, November 28, 2023, December 26, 2023, January 29, 2024, February 05, 2024, February 20, 2024, February 22, 2024, and March 16, 2024. 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, 2024 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) <sup>§</sup>		Whether attended last AGM held on 29.09.2023
					Member	Chairperson	
Mr. Naresh Kothari DIN:00012523	Non-Executive Director	13	1 - Public Company  3 – Other	1. Black Box Limited (Non-executive Director)	2	1	Yes

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) <sup>§</sup>		Whether attended last AGM held on 29.09.2023
					Member	Chairperson	
Mr. Shreyans Mehta DIN:06756771	Executive Director	18	3 – Others	--	1	--	Yes
Mr. Pradeep Parakh DIN:00008805	Non-Executive Independent Director	16	5 – Others	--	1	1	No
Mrs. Bharati Aindley DIN:09750519	Non-Executive Women Independent Director	18	--	--	2	--	No

<sup>§</sup> Only Audit Committee and Stakeholders' Relation Committee, in public listed companies, have been considered for the Committee position.

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, 2024, 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 have 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 2023-24, 1 (one) meeting of the Independent Directors was held on January 29, 2024, 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, 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	•	•	•	•	•	•	•	•
Mrs. Bharati Aindley	•	•	X	•	X	X	•	•	•	•	•

**III. Audit Committee:**

Composition, Meetings and Attendance

During FY 2023-24, the Committee met 7 (Seven) times on: May 15, 2023, July 28, 2023, September 18, 2023, October 17, 2023, October 30, 2023, December 26, 2023 and January 29, 2024.

The composition of the Audit Committee as on March 31, 2024 and the attendance during the year ended March 31, 2024 is as below:

Name of the Member(s)	Category	Number of Meetings	
		Held	Attended
Mr. Pradeep Parakh	Independent Director - Chairperson	7	7
Mrs. Bharti Aindley	Independent Director	7	7
Mr. Shreyans Mehta	Executive Director	7	7

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 2023-24, the Committee met 2 (Two) times on October 30, 2023 and December 26, 2023

The composition of the Nomination and Remuneration Committee as on March 31, 2024, and the attendance during the year ended March 31, 2024, is as below:

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

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.alt-alpha.com/policies-codes>.

**V. Stakeholder Relationship Committee:**

Composition, Meetings and Attendance

During FY 2023-24, the Committee met 2 (Two) times on: October 30, 2023 and December 26, 2023

The composition of the Stakeholder Relationship as on March 31, 2024, and the attendance during the year ended March 31, 2024, is as below:

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

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 2023-24, the Committee met 2 (Two) time on: July 28, 2023 and December 26, 2023.

The composition of the Risk Management Committee as on March 31, 2024 and the attendance during the year ended March 31, 2024 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, 2024, are as under:

**Sitting Fees paid for attending Board and Committee Meetings held during FY 2023-2024:**

Sr. No.	Name of the Independent Director	Sitting Fees
1	Mr. Pradeep Parakh	4,25,000
2	Mrs. Bharti Aindley	4,45,000
<b>Total...</b>		8,70,000

During the financial year 2023-24, 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
2022-23	September 29, 2023	34 <sup>th</sup> Floor, Sunshine Tower, Senapati Bapat Marg Near Kamgar Krida Maidan, Dadar (West), Mumbai - 400013	Nil
2021-22	September 30, 2022	34 <sup>th</sup> Floor, Sunshine Tower, Senapati Bapat Marg Near Kamgar Krida Maidan, Dadar (West), Mumbai - 400013	Nil
2020-21	November 30, 2021	34 <sup>th</sup> 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](http://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](mailto: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 20, 2024 at 10:00 a.m. at the registered office of the Company at 34 <sup>th</sup> Floor, Sunshine Tower, Senapati Bapat Marg Near Kamgar Krida Maidan, Dadar (West), Mumbai – 400013.
ii.	Financial Year	April 1, 2023 to March 31, 2024
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 (“NSE”).

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 2023-24.

- 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](http://www.mitcontrustee.com) Tel: +91 022-2282-8200

e-mail: [mitcontrustee@mitconindia.com](mailto: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](http://www.linkintime.co.in) Tel: +91 022-4918-6000,

e-mail: [mumbai@linkintime.co.in](mailto: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, 2024:**

**Equity Shares:**

Sr. No.	Name of Equity Shareholders	Shareholding	
		Number	Percentage
1.	Alpha Alternatives Holdings Private Limited	1,54,99,999	100%
2.	Naresh Kothari ( <i>Nominee of Alpha Alternatives Holdings Private Limited</i> )	1	--
	<b>Total</b>	<b>1,55,00,000</b>	<b>100.00%</b>

**Preference Shares:**

Sr. No.	Name of Preference Shareholders	Shareholding	
		Number	Percentage
1.	Sargam Retails Private Limited	16,09,383	74.45
2.	Silvia Ventures LLP	2,50,000	11.57
3.	Harshvardhan Properties Private Limited	1,51,133	6.99
4.	Yashvardhan Estate and Developers Private Limited	1,51,133	6.99
	<b>Total</b>	<b>21,61,649</b>	<b>100.00%</b>

- 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 2023-24 are as under:

Nature of Securities	Rating Agency	Credit Rating	Date of revision (if any)	Revised Rating
Market Linked Debentures	Care Ratings Limited	CARE PP MLD BBB	-	-
Market Linked Debentures	Acuité Ratings & Research Limited	ACUITE PP-MLD BBB-	-	-
Subordinated Debt	Acuite Ratings and Research Limited	BBB-	-	-

**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



Regulation/ Circular No.	Details of Violation	Fine Amount (in Rs.)
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 and M/s. NDAA & Associates LLP, Chartered Accountants are as below:

Particulars	Amount ( in lakhs)
<b>Ambavat Jain &amp; Associates LLP</b>	
Audit Fees	8.75
Certification and other services	1.85
<b>Total</b>	<b>10.60</b>
<b>NDAA &amp; Associates LLP</b>	
Audit Fees	8.75
Certification and other services	1.85
<b>Total</b>	<b>10.60</b>

*(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 2023-24.

- 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, 2024, 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  Email: <a href="mailto:rupali.maini@alt-alpha.com">rupali.maini@alt-alpha.com</a>	247 Park, C-101 1st Floor, LBS Marg Vikhroli West, Mumbai - 400083  Tel.: 022-2282-8200  Website: <a href="https://mitconcredentia.in/">https://mitconcredentia.in/</a>  Email: <a href="mailto:contact@mitconcredentia.in">contact@mitconcredentia.in</a>  Contact Person: Ms. Vaishali Urkude	247 Park, C-101 1st Floor, LBS Marg Vikhroli West, Mumbai - 400083  Tel: +91 2249186000 Fax: +91 2249186060  Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>  Email: <a href="mailto:mumbai@linkintime.co.in">mumbai@linkintime.co.in</a>  Contact Person: Ganesh Jadhav
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**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: 05/09/2024

**REMUNERATION POLICY****1. Introduction:**

This policy on Nomination and Remuneration of Directors, Key Managerial Personnel ("KMP"), Senior Management Personnel (SMP) and other employees has been formulated in terms of the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time, in order inter-alia to pay equitable remuneration to Directors, KMP, SMP and other employees of the Company.

**2. Objective:**

The Policy sets out the guiding principles on:

- I. appointment and remuneration of the Directors, KMP and SMP;
- II. Determining qualifications, positive attributes and independence for appointment of a Director (Executive/Non-Executive/Independent) and recommend to the Board a policy relating to the remuneration for the Directors, KMP and SMP
- III. Formulating the criteria for performance evaluation of all Directors.
- IV. Board diversity.

**3. Definitions:**

"Act" means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

"Board" means Board of Directors of the Company, (which includes a Committee, thereof). "Company" means : Alpha Alternatives Financial Services Private Limited ("AAF SPL") (Formerly Known as Provincial Finance and Leasing Co Private Limited

"Directors" means Directors of the Company. "Independent Director" (ID) means a Director referred to in Section 149 (6) of the Companies Act, 2013 and Rules made thereunder.

"Key Managerial Personnel" (KMP) means

1. Chief Executive Officer or the Managing Director or the Manager;
2. Whole-time Director(s);
3. Chief Financial Officer;
4. Company Secretary; and
5. Such other officer, not more than one level below the directors who is in whole time employment and designated as KMP by the Board

"Senior Management Personnel" (SMP) means officers/personnel of the Company, who are members of its core management team excluding Board of Directors and shall comprise all members of management one level below the Chief Executive Officer/Managing Director/Whole Time Director/Manager (including Chief Executive Officer/Manager, in case they are not part of the Board) and shall include Company Secretary and Chief Financial Officer.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and, as may be amended from time to time, shall have the meaning respectively assigned to them therein.

**4. Matters to be dealt with and recommended by NRC to the Board, as may be required**

The following matters shall be dealt by the Committee:

a) Directors Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommending candidates to the Board, inter alia when circumstances warrant the appointment of a new Director, having regard to the variety of skills, experience and expertise on the Board and who will best complement the Board.

b) Evaluation of performance making recommendations to the Board on appropriate performance criteria for the Directors. Formulate criteria and framework for evaluation of every Director's performance.

c) Identifying familiarization and training programs for the Board to ensure that Non-Executive Directors are provided adequate information regarding the operations of the business, the industry and their duties and legal responsibilities.

d) Remuneration framework and policies NRC is responsible for reviewing and making recommendations to the Board, if required on the following:

i. The remuneration of MD/WTD, KMP and SMP.

ii. Remuneration of Non-Executive Directors and Chairman.

iii. Remuneration Policy for all employees including KMP and SMP which would inter alia aim at:

a. Attracting and motivating talent to accomplish Company's long term growth.

b. Demonstrating a clear link between executive compensation and performance.

e) Administration of Company's stock option schemes and all the related matters.

**f) Salary**

At AAFSPL, salary is paid in two parts: one is fixed, which is paid on a monthly basis, while the variable component is based on the individual's performance following the closure of the financial year.

Additionally, certain senior employees or any employee deemed fit by the directors may receive a Performance Linked Bonus in the form of ESOP as % of Compensation based on Individual and Company Performance.

**5. Board Diversity**

NRC shall ensure a transparent nomination process to the Board of Directors with the diversity of gender, thought, experience, qualification, knowledge and perspective in the Board.

**6. Policy for appointment and removal of Director, KMP and SMP:**

a. Appointment criteria and qualifications NRC shall identify a person and criteria for the qualification, expertise and experience of the person for appointment as Director, KMP or SMP and recommend to the Board his/ her appointment.

**b. Term /Tenure**

i. Managing Director / CEO

Term of appointment or re-appointment of Managing Director or CEO not to exceed five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

ii. Independent Director

An Independent Director shall hold office on the Board of the Company for a term as may be determined by the Board but in no case, not exceeding five years and shall not hold office for more than two consecutive terms.

**c. Retirement**

The Director, KMP and SMP shall retire as per the provisions of the applicable Act, and the prevailing policy of the Company. On the recommendation of the NRC, the Board if it considers to be in the Company's interest, shall have the discretion to retain Director, KMP and SMP even after attaining the retirement/prescribed age, if any.

**d. Removal**

In case any Director or KMP or SMP incurs any disqualification as provided under the Act or Rules made thereunder or is in breach of Code of Governance and Ethics adopted by the Company, the NRC may recommend to the Board removal of such Director or KMP or SMP. For any other matters, the terms of employment of the KMP or SMP would apply, as per the organizational policies and procedures.

**7. Director and Officer Liability Insurance:**

Where Insurance Policy is taken by the Company for its Directors, KMP, SMP and employees indemnifying them against any liability, the premium paid by the Company for such insurance cover shall not be treated as part of the remuneration payable to such personnel. However, if such person is proved to be guilty, the premium paid on such insurance may be recovered from such person, as determined by the Committee.

**8. Malus / Clawback:**

A malus arrangement permits the Company to prevent vesting of all or part of the amount of a deferred remuneration. Malus arrangement does not reverse vesting after it has already occurred. A clawback is a contractual agreement between the employee and the Company in which the employee agrees to return previously paid or vested remuneration to the Company under certain circumstances. Where any insurance is taken by the Company on behalf of its Directors, Managing Director, KMPs and Senior Management for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. The deferred compensation may be subject to malus / clawback arrangements in the event of subdued or negative financial performance of the company and/or the relevant line of business or employee misconduct in any year. Upon occurrence of these or similar events, the Company may prompt to invoke the malus and clawback clauses that may be applicable on entire variable pay. While setting criteria for the application of malus and clawback, the Company may specify a period during which malus and/or clawback can be applied, covering at least the deferral and retention periods (a period of time after the vesting of instruments which have been awarded as variable pay during which they cannot be sold or accessed).

**9. General:**

This policy is framed based on the provisions of the Companies Act, 2013 and Rules framed thereunder and the requirements of Listing Regulation and applicable guidelines of Reserve Bank of India as amended from time to time.

This policy will be reviewed on periodical basis and revisions, if any, will be carried out after approval of Board of Directors / Committee authorized by it as the case may be.



**SECRETARIAL AUDIT REPORT**

<To be annexed overleaf>



## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

*[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)*  
34<sup>th</sup> 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 34<sup>th</sup> 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, 2024 (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, 2024, 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 Borrowings<sup>1</sup>;

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<sup>1</sup> 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, 2011<sup>2</sup>;
  - (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, 2009<sup>3</sup>;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014<sup>4</sup>;
  - (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, 2021<sup>5</sup>;
  - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018<sup>6</sup>; 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.

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<sup>2</sup> Not applicable to the Company during the audit period

<sup>3</sup> Not applicable to the Company during the audit period

<sup>4</sup> Not applicable to the Company during the audit period

<sup>5</sup> Not applicable to the Company during the audit period

<sup>6</sup> Not applicable to the Company during the audit period





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.

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.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

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 April 1, 2023, has obtained the approval of members under Sections 42, 55, 62 of the Act and the rules framed thereunder for issue, offer and allot 2,50,000 0.0001% Cumulative Compulsorily Convertible Preference Shares of face value of Rs. 10/- each at a premium of Rs. 390/- aggregating to Rs. 10,00,00,000/- (Rupees Ten Crores Only) for cash on preferential basis in one or more tranches to Silvia Ventures LLP;
- (ii) the Company on April 3, 2023, has issued and allotted 2,50,000 0.0001% Cumulative Compulsorily Convertible Preference Shares of face value of Rs. 10/- each at a premium of Rs. 390/- aggregating to Rs. 10,00,00,000/- (Rupees Ten Crores Only) for cash on preferential basis to Silvia Ventures LLP;
- (iii) the Company on April 13, 2023, has issued and allotted 55,00,000 Unsecured, Unrated, Unlisted, Redeemable, Non-Convertible Debentures of the face value of Rs.100/- each aggregating to Rs. 55,00,00,000/- (Rupees Fifty-Five Crores only) for cash on private placement basis to Alpha Alternatives Holdings Private Limited (Holding Company);



- (iv) the Company on October 19, 2023, has obtained the approval of members under Sections 13, 61, 64 of the Act and the rules framed thereunder for increase the Authorised Share Capital of the Company from 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/- each to Rs. 21,00,00,000/- consisting of Rs. 17,50,00,000/- divided into 1,75,00,000 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/- each;
- (v) the Company on October 25, 2023, has issued and allotted 4,38,612 Equity Shares of the Company of face value of Rs. 10/- each at a premium of Rs. 784/- each aggregating to Rs. 34,82,57,928/- (Rupees Thirty-Four Crores Eighty-Two Lakhs Fifty-Seven Thousand Nine Hundred and Twenty-Eight Only) on rights basis to Alpha Alternatives Holdings Private Limited (Holding Company);
- (vi) the Company on February 6, 2024, has issued and allotted 5,00,000 Equity Shares of the Company of face value of Rs. 10/- each at a premium of Rs. 784/- each aggregating to Rs. 39,70,00,000/- (Rupees Thirty-Nine Crores Seventy Lakhs Only) on rights basis to Alpha Alternatives Holdings Private Limited (Holding Company);
- (vii) the Company on February 26, 2024, has obtained the approval of members under Sections 42, 55, 62 of the Act and the rules framed thereunder for issue, offer and allot 4,53,399 - 0.0001% Series A Cumulative Compulsorily Convertible Preference Shares of face value of Rs. 10/- each at a premium of Rs. 784/- aggregating to Rs. 35,99,98,806/- (Rupees Thirty-Five Crores Ninety-Nine Lakhs Ninety-Eight Thousand and Eight Hundred and Six Only) for cash on preferential basis in one or more tranches to the eligible investors;
- (viii) the Company on February 27, 2024, has issued and allotted 4,53,399 - 0.0001% Series A Cumulative Compulsorily Convertible Preference Shares of face value of Rs. 10/- each at a premium of Rs. 784/- aggregating to Rs. 35,99,98,806/- (Rupees Thirty-Five Crores Ninety-Nine Lakh Ninety-Eight Thousand Eight Hundred and Six Only) for cash on preferential basis to the eligible investors;
- (ix) the Company on March 21, 2024, 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. 2,500 crores; and
- (x) the Company on various dates had issued and allotted 1,58,992 (One Lakh Fifty Eight Thousand Nine Hundred Ninety Two) Non-Convertible Debentures of the face value of Rs. 1,00,000/- each and the same are listed on the Stock Exchange.





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



  
**Kirti Kothari**  
*Partner*

Mem. No. F12007  
COP: 17287

**Place: Bangalore**  
**Date: September 5, 2024**

**UDIN: F012007F001146569**



‘Annexure A’

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



  
**Kirti Kothari**  
Partner

Mem. No. F12007  
COP: 17287

Place: Bangalore  
Date: September 5, 2024

UDIN: F012007F001146569



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

<To be annexed overleaf>



## 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, 2024 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



  
**Kirti Kothari**  
Partner

Mem. No. F12007  
COP: 17287

Place: Mumbai  
Date: September 5, 2024

**UDIN: F012007F001147064**

**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, 2024.

**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: 05/09/2024

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

<To be annexed overleaf>





## 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, 2024, 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



  
**Kirti Kothari**  
Partner

Mem. No. F12007  
COP: 17287

Place: Mumbai  
Date: September 5, 2024

UDIN: F012007F001146932

# **NDAA & ASSOCIATES LLP**

## **CHARTERED ACCOUNTANTS**

### **INDEPENDENT AUDITOR'S REPORT**

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

#### **Report on the audit of the Financial Statements**

#### **Opinion**

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

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

#### **Basis for Opinion**

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

**Other matter**

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

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

**FOR NDAA & ASSOCIATES LLP**

Chartered Accountants

Firm Registration No.: 129486W/W100775

**Sd/-**

**NIRAJ D. ADATIA**

Partner

Membership No.: 120844

UDIN: 24120844BKASVW2433

Place: Mumbai

Date: 30/05/2024

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

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

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

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

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

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

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

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

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



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

**FOR NDAA & ASSOCIATES LLP**

Chartered Accountants

Firm Registration No.: 129486W/W100775

**Sd/-**

**NIRAJ D. ADATIA**

Partner

Membership No.: 120844

UDIN: 24120844BKASVW2433

Place: Mumbai

Date: 30/05/2024

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

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

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

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

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

**Auditors' Responsibility**

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

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

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

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

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

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

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

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

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

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

## **Opinion**

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

## **FOR NDAA & ASSOCIATES LLP**

Chartered Accountants

Firm Registration No.: 129486W/W100775

**Sd/-**

**NIRAJ D. ADATIA**

Partner

Membership No.: 120844

UDIN: 24120844BKASVW2433

Place: Mumbai

Date: 30/05/2024

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

Balance Sheet as at March 31, 2024

(Amount In lakhs)

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

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

**For NDAA & Associates LLP**

Chartered Accountants

Firm's Registration No.: 129486W/ W100775

sd/-

**Niraj Adatia**

Partner

Membership No. : 120844

Mumbai

Date: 30 May 2024

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

**Alpha Alternatives Financial Services Private Limited**

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

sd/-

**Naresh Kothari**

Director

DIN : 00012523

Mumbai

sd/-

**Shreyans Mehta**

Director

DIN : 06756771

Mumbai

sd/-

**Jay Paleja**

Chief Financial Officer

Mumbai

sd/-

**Rupali Maini**

Company Secretary

Membership No : A64083

Mumbai

Alpha Alternatives Financial Services Private Limited (formerly known as "Provincial Finance And Leasing Co Private Limited")			
Statement of Profit and Loss Account for the year ended March 31, 2024			
(Amount In lakhs)			
Particulars	Note No.	For the Year ended March 31, 2024	For the Year ended March 31, 2023
<b>Revenue from operations</b>			
Interest Income	21	13,462.67	7,672.78
Net gain on sale of Financial Instrument	22	55,677.93	22,918.35
Net gain on fair value changes	23	1,308.80	428.04
<b>Total Revenue from operations</b>		<b>70,449.40</b>	<b>31,019.17</b>
Other Income	24	38.64	22.36
<b>Total Income</b>		<b>70,488.04</b>	<b>31,041.53</b>
<b>Expenses</b>			
Finance Costs	25	43,643.56	20,306.02
Employee Benefits Expenses	26	3,549.85	1,477.83
Depreciation, amortization and impairment	27	1.17	1.80
Others expenses	28	4,926.62	3,400.24
<b>Total Expenses</b>		<b>52,121.20</b>	<b>25,185.89</b>
Profit / (loss) before exceptional items and tax		18,366.84	5,855.64
Exceptional items		-	-
<b>Profit/(loss) before tax</b>		<b>18,366.84</b>	<b>5,855.64</b>
<b>Tax Expense:</b>			
Current Tax		4,562.98	1,289.47
Deferred Tax (Net)		(112.07)	184.03
(Excess)/ Short provision for earlier years		165.13	-
		4,616.04	1,473.50
<b>Profit / (loss) for the period from continuing operations</b>		<b>13,750.80</b>	<b>4,382.14</b>
Profit/(loss) from discontinued operations		-	-
Tax Expense of discontinued operations		-	-
Profit/(loss) from discontinued operations(After tax)		-	-
<b>Profit/(loss) for the period</b>		<b>13,750.80</b>	<b>4,382.14</b>
<b>Other Comprehensive Income</b>			
(A) (i) Items that will not be reclassified to profit or loss			
Fair valuation on Equity instrument		3,605.78	(803.65)
Remeasurement of the net defined benefit obligation gain / (loss)		(6.81)	(1.71)
(ii) Income tax relating to items not be reclassified to profit or loss		(400.85)	84.01
<b>Subtotal (A)</b>		<b>3,198.12</b>	<b>(721.35)</b>
(B) (i) Items that will be reclassified to profit or loss			
<b>Subtotal (B)</b>		<b>-</b>	<b>-</b>
<b>Other Comprehensive Income (A + B)</b>		<b>3,198.12</b>	<b>(721.35)</b>
<b>Total Comprehensive Income for the period</b>		<b>16,948.92</b>	<b>3,660.79</b>
<b>Earnings per equity share (for continuing operations)</b>	29		
Basic (Rs.)		92.74	32.58
Diluted (Rs.)		92.74	32.58
The accompanying notes attached form an integral part of these Financial Statements			
<b>For NDAA &amp; Associates LLP</b> Chartered Accountants Firm's Registration No.: 129486W/ W100775		<b>For and on behalf of the Board of Directors of</b> <b>Alpha Alternatives Financial Services Private Limited</b> (formerly known as "Provincial Finance and Leasing Co Private Limited")	
sd/- <b>Niraj Adatia</b> Partner Membership No. : 120844 Mumbai Date: 30 May 2024	sd/- <b>Naresh Kothari</b> Director DIN : 00012523 Mumbai	sd/- <b>Shreyans Mehta</b> Director DIN : 06756771 Mumbai	
	sd/- <b>Jay Paleja</b> Chief Financial Officer Mumbai	sd/- <b>Rupali Maini</b> Company Secretary Membership No : A64083 Mumbai	

Alpha Alternatives Financial Services Private Limited (formerly known as "Provincial Finance And Leasing Co Private Limited")		
Cash Flow Statement for the period ended March 31, 2024		
(Amount In lakhs)		
Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
<b>[A] CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax	18,366.84	5,855.64
<b>Adjustments for:</b>		
Interest Income	(259.55)	-
Interest Expenses	43,643.56	20,306.02
Provision for Standard Assets	28.20	0.40
Net gain on Fair Value Change	(1,308.80)	941.25
(Profit)/Loss on sale of Investments (Net)	(616.41)	(18.55)
Depreciation	1.17	1.80
<b>Operating Profit/(Loss) before changes in working capital</b>	<b>59,855.01</b>	<b>27,086.56</b>
<b>Adjustment for (Increase)/Decrease in Operating Assets</b>		
Adjustments for other non financial assets	(23.44)	(23.19)
Adjustments for other financial assets	(14,881.45)	(698.55)
Net Sale / (Purchase) of investment	(2,49,380.70)	(1,11,898.61)
Net Loan Proceeds/ (Given)	4,841.15	(36.47)
Margin (Given)/ Received	-	20,000.00
<b>Adjustment for Increase/(Decrease) in Operating Liabilities</b>		
Adjustments for increase (decrease) in trade payables	108.29	(2.50)
Adjustments for provisions	3.82	4.36
Adjustments for other financial liabilities	2,249.95	1,002.81
Adjustments for other non financial liabilities	4,295.42	76.36
<b>Cash flow from operations after changes in working capital</b>	<b>(1,92,931.94)</b>	<b>(64,489.23)</b>
Net Direct Taxes (Paid)/Refunded	(2,549.37)	(1,235.55)
<b>Net Cash Flow from/(used in) Operating Activities</b>	<b>(1,95,481.31)</b>	<b>(65,724.78)</b>
<b>[B] CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of investment	1,529.45	172.37
Purchase of investment	(3,136.33)	-
Purchase of Fixed Asset	(0.86)	(3.57)
<b>Net Cash Flow from/(used in) Investing Activities</b>	<b>(1,607.74)</b>	<b>168.80</b>
<b>[C] CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuing shares (Including security premium)	7,452.57	4,500.00
Proceeds from Debt Securities (Including Debenture Premium)	1,68,740.00	97,161.20
Redemption of Debt Securities (Including Debenture Premium)	-	(49,300.50)
Proceeds from issue of Preference Share Capital	4,599.99	5,833.00
Proceeds from Subordinated Liabilities	24,070.50	(3,400.00)
Interest Payment	(4,923.88)	(8,024.28)
<b>Net Cash Flow from/(used in) Financing Activities</b>	<b>1,99,939.18</b>	<b>46,769.42</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents</b>	<b>2,850.13</b>	<b>(18,786.57)</b>
Cash & Cash Equivalents at beginning of period (see Note 1)	1,411.02	20,197.58
<b>Cash and Cash Equivalents at end of period (see Note 1)</b>	<b>4,261.15</b>	<b>1,411.02</b>
<b>Notes:</b>		
1 <b>Cash and Cash equivalents comprises of:</b>		
Cash on Hands	-	0.33
Balance with Banks	3,500.93	649.52
Fixed Deposit having maturity of less than 3 months	760.22	761.17
<b>Cash and Cash equivalents</b>	<b>4,261.15</b>	<b>1,411.02</b>
Effect of Unrealised foreign exchange (gain)/loss (Net)		
<b>Cash and Cash equivalents as restated</b>	<b>4,261.15</b>	<b>1,411.02</b>
2 Figures of the previous year have been regrouped / reclassified wherever necessary.		
3 The cash flow statement has been prepared under the indirect method as set out in Ind AS 7, 'Statement of Cash flows'		
As per our report of even date		
<b>For NDAA &amp; Associates LLP</b>	<b>For and on behalf of the Board of Directors of</b>	
Chartered Accountants	<b>Alpha Alternatives Financial Services Private Limited</b>	
Firm's Registration No.: 129486W/ W100775		
sd/-	sd/-	sd/-
<b>Niraj Adatia</b>	<b>Naresh Kothari</b>	<b>Shreyans Mehta</b>
Partner	Director	Director
Membership No. : 120844	DIN : 00012523	DIN : 06756771
Mumbai	Mumbai	Mumbai
Date: 30 May 2024		
	sd/-	sd/-
	<b>Jay Paleja</b>	<b>Rupali Maini</b>
	Chief Financial Officer	Company Secretary
	Mumbai	Membership No : A64083
		Mumbai

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

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

**Statement of Changes in Equity**

**A) Equity share capital**

(Amount In lakhs)

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

**B) Other equity**

**For the year ended March 31, 2024**

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

**For the year ended March 31, 2023**

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

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

**For NDAA & Associates LLP**

Chartered Accountants

Firm's Registration No.: 129486W/ W100775

sd/-

**Niraj Adatia**

Partner

Membership No. : 120844

Mumbai

Date: 30 May 2024

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

**Alpha Alternatives Financial Services Private Limited**

sd/-

**Naresh Kothari**

Director

DIN : 00012523

Mumbai

sd/-

**Shreyans Mehta**

Director

DIN : 06756771

Mumbai

sd/-

**Jay Paleja**

Chief Financial Officer

Mumbai

sd/-

**Rupali Maini**

Company Secretary

Membership No : A64083

Mumbai



**Note 1. Corporate Information**

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

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

**(a) Statement of Compliance**

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

**(b) Basis of Preparation**

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

**Presentation of financial statements**

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

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

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

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

**(c) Basis of Measurement**

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

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

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

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

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

i. Business model assessment

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

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

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

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

ii. Impairment of Financial Assets

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

- Loans and advances;
- Debt investment securities;

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

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

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

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

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

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

iii. Other Estimates

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

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

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

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

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

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

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

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

Assets

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

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

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

Liabilities

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

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

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

**Note 2B. Material Accounting Policies**

**(a) Revenue recognition**

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

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

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

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

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

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

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

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

**ii. Gain on sale of investments**

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

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

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

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

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

**(b) Financial instruments**

**Initial recognition and measurement**

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

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

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

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

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

**Fair value of financial instruments**

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

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

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

## **Financial assets**

### **i. Classification and subsequent measurement**

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

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

#### **Financial assets carried at Amortised cost**

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

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

#### **Fair value through other comprehensive income**

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

#### **Fair value through profit or loss**

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

#### **Equity instruments**

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

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

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



**ii. Impairment**

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

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

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

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

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

**iii. Derecognition**

A financial asset is derecognised only when:

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

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

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

**Financial liabilities**

**i. Initial recognition and measurement**

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

**ii. Subsequent measurement**

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

**iii. Derecognition**

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

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

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

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

**(c) Offsetting financial instruments**

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

**(d) Employee Benefits**

**Short-term obligations**

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

**Compensated absences**

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

**Post-employment obligations**

Defined contribution plan:

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

Defined benefits plan:

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

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

National Pension Scheme and Employee State Insurance Corporation

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

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

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

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

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

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

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

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

##### **Current Tax**

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

##### **Deferred Tax**

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

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

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

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

**(g) Provisions and contingencies:**

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

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

**(h) Cash and cash equivalents**

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

**(i) Earnings per share**

**Basic earnings per share**

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

**Diluted earnings per share**

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

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

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

(Amount In lakhs)

**Note - 3 Cash and Cash Equivalents**

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

**Note - 4 Derivative financial instruments**

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

**Note - 5 Loans**

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

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

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

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

**Summary of loans by stage distribution**

(Amount In lakhs)

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

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

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

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

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

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

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

(Amount In lakhs)

**Note - 6 Investments**

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

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

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

**Note - 7 Other Financial assets**

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

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

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

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

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

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

**Note - 8 Property, Plant and Equipment**

(Amount In lakhs)

Tangible assets	Gross block				Accumulated depreciation and impairment				Net block	
	Balance as at April 01, 2023	Additions	Disposals	Balance as at March 31, 2024	Balance as at April 01, 2023	Depreciation / amortisation expense for the year	Accumulated Depreciation on disposed Asset	Balance as at March 31, 2024	Balance as at March 31, 2024	Balance as at March 31, 2023
(a) Computers	3.58	0.85	-	4.43	1.80	1.17	-	2.97	1.46	1.78
<b>Total</b>	<b>3.58</b>	<b>0.85</b>	<b>-</b>	<b>4.43</b>	<b>1.80</b>	<b>1.17</b>	<b>-</b>	<b>2.97</b>	<b>1.46</b>	<b>1.78</b>
<b>Previous year</b>	<b>-</b>	<b>3.58</b>	<b>-</b>	<b>3.58</b>	<b>-</b>	<b>1.80</b>	<b>-</b>	<b>1.80</b>	<b>1.78</b>	<b>-</b>



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

(Amount In lakhs)

**Note - 10 Trade Payables**

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

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

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

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

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

**Note - 11 Debt securities**

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

**Footnote:**

**Market Linked Debentures**

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

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

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

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

**Terms of Repayment**

Particulars	ISIN	Quoted / Unquoted	Date of Maturity	Amount (FV)
Market Linked Debentures - privately placed (EQAR MLD - Series A)	INEOL6807013	Quoted	09-Apr-25	25,110.00
Market Linked Debentures - privately placed (EQAR MLD - Series B)	INEOL6807021	Quoted	11-Jun-25	33,670.00
Market Linked Debentures - privately placed (EQAR MLD - Series C)	INEOL6807039	Quoted	03-Sep-25	9,080.00
Market Linked Debentures - privately placed (EQAR MLD - Series D)	INEOL6807054	Quoted	04-Dec-25	20,700.00
Market Linked Debentures - privately placed (EQAR MLD - Series E)	INEOL6807062	Quoted	27-Apr-26	35,353.00
Market Linked Debentures - privately placed (EQAR MLD - Series F)	INEOL6807088	Quoted	17-Jun-26	19,134.00
Market Linked Debentures - privately placed (EQAR MLD - Series G)	INEOL6807096	Quoted	04-Nov-26	38,901.00
Market Linked Debentures - privately placed (EQAR MLD - Series H)	INEOL6807112	Quoted	20-Apr-27	7,670.00
Market Linked Debentures - privately placed (EQAR MLD - Series I)	INEOL6807138	Quoted	04-Jun-27	16,676.00
Market Linked Debentures - privately placed (CAR MLD - Series A)	INEOL6807047	Quoted	21-Oct-25	18,890.00
Market Linked Debentures - privately placed (CAR MLD - Series B)	INEOL6807070	Quoted	25-May-26	8,201.00
Market Linked Debentures - privately placed (CAR MLD - Series C)	INEOL6807104	Quoted	13-Oct-26	8,795.00
Market Linked Debentures - privately placed (CAR MLD - Series D)	INEOL6807120	Quoted	14-May-27	8,270.00

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

**Note - 12 Preference Share Capital**

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

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

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

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

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

**Note - 13 Subordinated Liabilities**

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

**Unsecured Subordinated Redeemable Non-Convertible Debentures**

**Terms of Repayment**

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

**Note A**

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

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

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

<b>Alpha Alternatives Financial Services Private Limited</b> <b>(formerly known as "Provincial Finance And Leasing Co Private Limited")</b>		
<b>Notes to Financial Statement for the year ended March 31, 2024</b>		
<b>Note - 14 Other Financial Liabilities</b>		
<b>Particulars</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Employee benefits payable	2,517.31	1,004.02
Other Payables	740.62	3.96
	<b>3,257.93</b>	<b>1,007.98</b>
<b>Note - 15 Current tax assets (Net)</b>		
<b>Particulars</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Income Tax (Net of Provisions)	2,371.53	42.79
	<b>2,371.53</b>	<b>42.79</b>
<b>Note - 16 Deferred tax Assets/ Liabilities (Net)</b>		
<b>Particulars</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Deferred tax Assets/ Liabilities (Net)	376.00	87.21
	<b>376.00</b>	<b>87.21</b>
<b>Deferred tax assets recorded in Balance Sheet</b>		
<b>Particulars</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Deferred tax relates to the following:		
<i>Deferred tax assets</i>		
Remeasurement of employee benefit	4.86	2.18
Provision for Standard Assets	11.73	4.63
Net gain on fair valuation of Investments not adjusted under Income Tax Act, 1961		
Others	251.68	
Depreciation	0.13	0.09
<b>Gross deferred tax assets</b>	<b>268.40</b>	<b>6.91</b>
<i>Deferred tax liabilities</i>		
Remeasurement of employee benefit		
Net gain on fair valuation of Investments not adjusted under Income Tax Act, 1961	644.39	94.12
Depreciation		
<b>Gross deferred tax liabilities</b>	<b>644.39</b>	<b>94.12</b>
<b>Deferred tax assets/(liabilities) (Net)</b>	<b>376.00</b>	<b>87.21</b>
<b>Note - 17 Provisions</b>		
<b>Particulars</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Provision for Gratuity	19.31	8.68
	<b>19.31</b>	<b>8.68</b>
<b>Note - 18 Other Non-Financial Liabilities</b>		
<b>Particulars</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Statutory Dues	4,376.74	81.32
	<b>4,376.74</b>	<b>81.32</b>

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

**Note - 19 Equity Share capital**

(Amount In lakhs)

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

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

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

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

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

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

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

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

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

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

**Note - 20 Other equity**

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

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

**Other Reserves**

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

**Nature and purpose of other equity**

**(i) Retained earnings**

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

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

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

**(iii) General reserve**

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

**(iv) Securities Premium**

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

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

(Amount In lakhs)

**Note - 21 Interest Income**

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

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

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

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

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

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

**Note - 24 Other Income**

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

**Note - 25 Finance costs**

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

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

<b>Alpha Alternatives Financial Services Private Limited</b> <b>(formerly known as "Provincial Finance And Leasing Co Private Limited")</b>		
<b>Notes to Financial Statement for the year ended March 31, 2024</b>		
<b>Note - 26 Employee Benefits Expenses</b>		
<b>Particulars</b>	<b>For the Year ended March 31, 2024</b>	<b>For the Year ended March 31, 2023</b>
Salaries, Bonus and allowances	2,809.26	1,470.96
Share Based Payments	734.15	-
Contribution to Other Funds	3.82	4.36
Staff welfare expenses	2.62	2.51
	<b>3,549.85</b>	<b>1,477.83</b>
<b>Note - 27 Depreciation and Amortization Expenses</b>		
<b>Particulars</b>	<b>For the Year ended March 31, 2024</b>	<b>For the Year ended March 31, 2023</b>
Depreciation on Property Plant and Equipment	1.17	1.80
	<b>1.17</b>	<b>1.80</b>
<b>Note - 28 Other Expenses</b>		
<b>Particulars</b>	<b>For the Year ended March 31, 2024</b>	<b>For the Year ended March 31, 2023</b>
Brokerage & Other Charges	4,393.16	2,921.69
Legal and Professional Fees	49.18	182.70
Business Support Charges	94.76	126.68
Rates and Taxes	151.25	64.70
Issue expenses	111.40	46.84
Audit Fees	-	-
For statutory audit	8.75	7.65
Other Services	1.85	3.60
Director Sitting Fees	8.70	2.90
CSR Expenses (Note (a))	46.00	-
Miscellaneous Expenses	33.06	42.83
Bank Charges	0.31	0.25
Provision for Standard Asset	28.20	0.40
	<b>4,926.62</b>	<b>3,400.24</b>
<b>Note (a) : Corporate Social Responsibility (CSR)</b>		
<b>Particulars</b>	<b>For the Year ended March 31, 2024</b>	<b>For the Year ended March 31, 2023</b>
i) Gross amount required to be spent by the company during the year	45.27	-
ii) Amount approved by the Board to be spent during the year	46.00	-
Construction/acquisition of any asset	-	-
On purposes other than (i) above	46.00	-
iii) Amount spent during the year on:		
Construction/acquisition of any asset	-	-
On purposes other than (i) above	46.00	-
iv) Shortfall at the end of the year,	-	-
v) The total of previous years' shortfall / (Excess) amounts;	-	-
vi) The reason for above shortfalls	-	-
vii) (Excess) / Shortfall Payment at the end of the year	(0.73)	-
<b>Nature of CSR activities:</b>		
<b>Particulars</b>	<b>For the Year ended March 31, 2024</b>	<b>For the Year ended March 31, 2023</b>
a) Health and Education	11.00	-
b) Relief and Wellness	25.00	-
c) Minorities and Other Backward Communities	10.00	-



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

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

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

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

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

**Note- 30 Segment Information**

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

**Note- 31 Contingent Liabilities**

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

**Note- 32 Income tax expense**

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

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

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

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

**Note- 33 Employee benefits plan**

**Defined benefit plans**

**(A) Gratuity**

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

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

**Movement in Plan Assets**

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

**Reconciliation of net liability/asset**

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

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

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

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

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

<b>Alpha Alternatives Financial Services Private Limited</b> <b>(formerly known as "Provincial Finance And Leasing Co Private Limited")</b>		
<b>Notes to Financial Statement for the year ended March 31, 2024</b>		
<b>Amount recognised in Balance Sheet</b>		
<b>Particulars</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
Present value of funded defined benefit obligation	19.31	8.68
Fair value of plan assets	-	-
Net funded obligation	19.31	8.68
Amount not recognised due to asset limit	-	-
Net defined benefit liability/(assets) recognised in Balance Sheet	19.31	8.68
<b>Key actuarial assumptions</b>		
<b>Particulars</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
Discount rate (p.a.)	7.00%	7.30%
Salary escalation rate (p.a.)	10.00%	10.00%
<b>Expected Payout:</b>		
<b>Year</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
	<b>PVO Payout</b>	<b>PVO Payout</b>
Expected Outgo First	1.10	0.46
Expected Outgo Second	1.15	0.48
Expected Outgo Third	1.21	0.51
Expected Outgo Fourth	1.27	0.53
Expected Outgo Fifth	1.34	0.56
Expected Outgo Sixth to Tenth Years	13.33	6.10
<b>Sensitivity analysis for significant assumptions is as shown below</b>		
<b>Particulars</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
Impact of increase in 100 bps on discount rate	17.56	7.82
Impact of decrease in 100 bps on discount rate	21.36	9.69
Impact of increase in 100 bps on salary escalation rate	20.15	9.10
Impact of decrease in 100 bps on salary escalation rate	18.48	8.25
Impact of increase in 100 bps on withdrawal rate	19.62	8.75
Impact of decrease in 100 bps on withdrawal rate	18.93	8.58
<b>Valuation Results:</b>		
The assumptions and methodology used in compiling this Report are consistent with the requirements of Ind AS 19		
The results are particularly sensitive to some assumptions, such as discount rate, salary inflation, level of assumed mortality		
The value of discontinuance liability (if all the accrued benefits were to be settled immediately on the valuation date) as at March 31, 2024 is Rs 40.57 lakhs		

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

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

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

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

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

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

**ESOP Plan 2022 A**

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

**ESOP Plan 2022 B**

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

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

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

**Note - 35 Related Parties Disclosure**

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

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

- Alpha Alternatives Holdings Private Limited
- Kothari Family Private Trust

**Key Management Personnel**

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

**Other enterprises which are under common control**

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

**35.2 Transactions with Related Parties**

(Amount in lakhs)

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

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

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

**Note - 36 'Fair Value Measurement**

**Financial Instrument by category and hierarchy**

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

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

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

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

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

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

(Amount in lakhs)

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

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

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



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

**Note - 37 'Capital Management**

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

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

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

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

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

**Note - 38 Risk Management**

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

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

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

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

**a) Credit risk**

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

**i) Credit risk management**

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

**Definition of Default**

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

**ii) Provision for expected credit losses**

The Company provides for expected credit loss based on following:

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

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

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

**Measurement of Expected Credit Losses**

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

(a) Stage 1: 12- months ECL: For exposures where there is no significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12- months is recognized.

(b) Stage 2: Lifetime ECL, not credit-impaired: For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL is recognized.

(c) Stage 3: Lifetime ECL, credit-impaired: Financial assets are assessed as credit impaired upon occurrence of one or more events that have a detrimental impact on the estimated future cash flows of that asset. For financial assets that have become credit-impaired, a lifetime ECL is recognized and interest revenue is calculated by applying the effective interest rate to the amortised cost.

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

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

**Probability of Default (PD)**

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

**Loss Given Default (LGD)**

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

**Exposure at default (EAD)**

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

**b) Liquidity risk**

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

**Maturity patterns of financial assets and liabilities**

**As at March 31, 2024**

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

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

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

**As at March 31, 2023**

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

**c. Market risk**

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

**i) Price risk**

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

**ii) Interest rate risk**

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

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

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

**iii) Currency risk**

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

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

**Note 39 Analytical Ratios**

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

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

The following disclosure is required pursuant to RBI Scale Based regulation framework (RBI/DoR/2023-24/106DoR.FIN.REC.No.45/03.10.119/2023-24)

**Asset Classification**

(Amount In lakhs)

Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	Gross Carrying amount as per Ind AS	Loss allowances (Provision) as required under Ind AS 109	Net Carrying Amount	Provision required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
<b>Performing Assets</b>	Stage 1	10,354.52	46.60	10,307.92	41.23	5.36
Standard Assets	-	-	-	-	-	-
Substandard Assets	-	-	-	-	-	-
Doubtful Assets	-	-	-	-	-	-
Loss Assets	-	-	-	-	-	-
		<b>10,354.52</b>	<b>46.60</b>	<b>10,307.92</b>	<b>41.23</b>	<b>5.36</b>

**Schedule to the Balance Sheet of a non-deposit taking Non-Banking Financial Company**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
<b>Liabilities side</b>				
<b>(1) Loans and advances availed by the non- banking financial company inclusive of interest accrued thereon but not paid :</b>				
(a) Debentures : Secured	3,43,466.18	-	1,38,393.16	-
: Unsecured	26,307.16	-	-	-
(b) Deferred Credits	-	-	-	-
(c) Term Loans	-	-	-	-
(d) Inter-corporate loans and borrowing	-	-	-	-
(e) Commercial Paper	-	-	-	-
(f) Public Deposits	-	-	-	-
(g) Other Loans (specify nature)	-	-	-	-
<b>(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :</b>				
(a) In the form of Unsecured debentures	-	-	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
(c) Other public deposits	-	-	-	-
<b>Assets side</b>				
	<b>As at March 31, 2024</b>		<b>As at March 31, 2023</b>	
	<b>Amount outstanding</b>		<b>Amount outstanding</b>	
<b>(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:</b>				
(a) Secured	-	-	-	-
(b) Unsecured	-	-	-	4,600.00
<b>(4) Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities</b>				
(i) Lease assets including lease rentals under sundry debtors :				
(a) Financial lease	-	-	-	-
(b) Operating lease	-	-	-	-
(ii) Stock on hire including hire charges under sundry debtors :				
(a) Assets on hire	-	-	-	-
(b) Repossessed Assets	-	-	-	-
(iii) Other loans counting towards asset financing activities				
(a) Loans where assets have been repossessed	-	-	-	-
(b) Loans other than (a) above	-	-	-	-

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

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

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

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



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

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

The Risk Management Committee monitors, inter alia,

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

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

**Note 40**

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

**Note 41**

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

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

**For NDAA & Associates LLP**

Chartered Accountants

Firm's Registration No.: 129486W/ W100775

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

**Alpha Alternatives Financial Services Private Limited**

sd/-

**Niraj Adatia**

Partner

Membership No. : 120844

Mumbai

Date: 30 May 2024

sd/-

**Naresh Kothari**

Director

DIN : 00012523

Mumbai

sd/-

**Shreyans Mehta**

Director

DIN : 06756771

Mumbai

sd/-

**Jay Paleja**

Chief Financial Officer

Mumbai

sd/-

**Rupali Maini**

Company Secretary

Membership No : A64083

Mumbai