

# **HOV HOLDINGS LIMITED**

**FINANCIAL STATEMENTS FOR THE  
YEAR  
ENDED MARCH 2018**

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
HOVS HOLDINGS LIMITED

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **HOVS Holdings Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018 and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

Management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 Accounting Standards (Ind As) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error

### Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order





to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

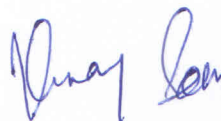
- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2018;
- (ii) in the case of the Statement of Profit and Loss, of the loss including other comprehensive income of the Company for the year ended on that date;
- (iii) in the case of the Statement of Changes in Equity, of the changes in equity for the year ended on that date, and
- (iv) in the case of the Statement of Cash Flows, of the cash flows of the Company for the year ended on that date.

### Other Matters:

Opening balances have been considered based on the audited financial statements prepared under previous Generally Accepted Accounting Practices (Previous GAAP) issued by the other auditors whose unqualified audit report dated May 25, 2017 have been furnished to us. The differences arising from transition from previous GAAP to Ind AS have been derived from such audited financial statements.

The audit report has been prepared for the purpose of enabling Ultimate Parent Company's financial reporting requirement under the Act and should not be used for purposes other than that which it is meant for.

**For Bagaria and Co. LLP**  
**Chartered Accountants**  
**Firm Registration No.**  
**113447W/W-100019**



**Vinay Somani**  
**Partner**  
**Membership No. 143503**

**Mumbai**  
**May 25, 2018**



# HOVS Holdings Limited

## Balance Sheet As At March 31, 2018

(Rs. in Thousands)

| Particulars                         | Note No | As At March 31, 2018 | As At March 31, 2017 | As At April 1, 2016 |
|-------------------------------------|---------|----------------------|----------------------|---------------------|
| <b>Assets</b>                       |         |                      |                      |                     |
| <b>Current assets</b>               |         |                      |                      |                     |
| Financial assets                    |         |                      |                      |                     |
| Loans & Advances                    | 2       | 100,053              | 99,736               | 102,035             |
| Cash & cash equivalents             | 3       | 78                   | 232                  | 346                 |
| <b>Total non-current assets</b>     |         | <b>100,131</b>       | <b>99,968</b>        | <b>102,381</b>      |
| <b>Total assets</b>                 |         | <b>100,131</b>       | <b>99,968</b>        | <b>102,381</b>      |
| <b>Equity and liabilities</b>       |         |                      |                      |                     |
| <b>Equity</b>                       |         |                      |                      |                     |
| Equity share capital                | 4       | 8                    | 8                    | 9                   |
| Other equity                        |         | 100,123              | 99,960               | 102,372             |
| <b>Total equity</b>                 |         | <b>100,131</b>       | <b>99,968</b>        | <b>102,381</b>      |
| <b>Total equity and liabilities</b> |         | <b>100,131</b>       | <b>99,968</b>        | <b>102,381</b>      |
| Significant accounting policies.    | 1       |                      |                      |                     |

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Bagaria and Co. LLP

FRN - 113447W

Chartered Accountants

For HOVS Holdings Limited



Manager

Vinay Somani

Partner

M. No. 143503

Place : Vashi

Date : May 29, 2018

# HOVS Holdings Limited

## Statement of Profit and Loss For The Year Ended March 31, 2018

(Rs. in Thousands)

| Particulars   | Note No | For The Year Ended March 31, 2018 | For The Year Ended March 31, 2017 |
|---|---------|-----------------------------------|-----------------------------------|
| <b>Income</b>   |         |                                   |                                   |
| Revenue from operations   |         | -                                 | -                                 |
| <b>Total Income</b>   |         | -                                 | -                                 |
| <b>Expenditure</b>  |         |                                   |                                   |
| Other expenses  | 5       | 152                               | 110                               |
| <b>Total Expenditure</b>  |         | 152                               | 110                               |
| <b>Profit/(loss) before tax</b>   |         | (152)                             | (110)                             |
| Tax expense   |         | -                                 | -                                 |
| <b>Profit/(loss) after tax</b>  |         | (152)                             | (110)                             |
| <b>Other comprehensive income</b>   |         |                                   |                                   |
| Items that will not be reclassified to profit or loss (net of Tax impact) |         | -                                 | -                                 |
| <b>Total other comprehensive income</b>                                   |         | -                                 | -                                 |
| <b>Total comprehensive income</b>   |         | (152)                             | (110)                             |
| <b>Earnings per share</b>   | 10      |                                   |                                   |
| Basic & diluted Earning Per Share :                                       |         |                                   |                                   |
| Basic & Diluted Earning Per Share   |         | (0.15)                            | (0.11)                            |
| Significant accounting policies   | 1       |                                   |                                   |
| The accompanying notes are an integral part of the financial statements   |         |                                   |                                   |

As per our report of even date

For Bagaria and Co. LLP

FRN - 113447W

Chartered Accountants

For HOVS Holdings Limited

  
Manager

Vinay Somani

Partner

M. No. 143503

Place : Vashi

Date : May 29, 2018



HOVS Holdings Limited

Statement of Changes in Equity for the year ended March 31, 2018

EQUITY SHARE CAPITAL :

| Particular             | Balance as at April 1, 2016 | Changes in equity share capital during the year | Balance as at March 31, 2017 | Changes in equity share capital during the year | Balance as at March 31, 2018 |
|------------------------|-----------------------------|---|------------------------------|---|------------------------------|
| Equity Share Capital : | 9                           | (1)   | 8                            | (0)   | 8                            |

(Rs. in Thousands)

OTHER EQUITY :

| Particulars                  | Reserve and Surplus                  |                   | Other Comprehensive Income | Total   |
|------------------------------|--------------------------------------|-------------------|----------------------------|---------|
|                              | Foreign Exchange Translation Reserve | Retained earnings |                            |         |
| Balances as at April 1, 2016 | 33,030                               | 69,342            | -                          | 102,372 |
| Profit/(Loss) for the year   | -                                    | (110)             | -                          | (110)   |
| Other Comprehensive Income   | (2,302)                              | -                 | -                          | (2,302) |
| Balance as at March 31, 2017 | 30,728                               | 69,232            | -                          | 99,960  |
| Balance as at March 31, 2017 | 30,728                               | 69,232            | -                          | 99,960  |
| Profit/(Loss) for the year   | -                                    | (152)             | -                          | (152)   |
| Other Comprehensive Income   | 315                                  | -                 | -                          | 315     |
| Balance as at March 31, 2018 | 31,043                               | 69,080            | -                          | 100,123 |

Significant accounting policies

1

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Bagaria and Co. LLP

FRN - 113447W

Chartered Accountants

For HOVS Holdings Limited

Vinay Somani

Partner

M. No. 143503

Place : Vashi

Date : May 29, 2018

  
Manager

HOVS Holdings Limited

Cash flow statement For The Year Ended March 31, 2018

(Rs. in Thousands)

| Particulars   | For The Year Ended<br>March 31, 2018 | For The Year Ended<br>March 31, 2017 |
|---|--------------------------------------|--------------------------------------|
| <b>A Cash flow from Operating Activities:</b>                       |                                      |                                      |
| Net profit/(loss) before tax and exceptional items                  | (152)                                | (110)                                |
| <b>Add: Adjustments for</b>   |                                      |                                      |
| Foreign exchange (gain)/loss, net                                   | (1)                                  | (4)                                  |
| <b>Operating profit before working capital changes</b>              | <b>(153)</b>                         | <b>(114)</b>                         |
| <b>Adjustments for changes in working capital :</b>                 |                                      |                                      |
| Increase/(decrease) in trade receivable                             | -                                    | -                                    |
| Increase/(decrease) in trade and other payable                      | -                                    | -                                    |
| <b>Cash generated from operations</b>                               | <b>(153)</b>                         | <b>(114)</b>                         |
| Taxes paid  | -                                    | -                                    |
| <b>Net cash from/(used in) operating activities - A</b>             | <b>(153)</b>                         | <b>(114)</b>                         |
| <b>B Cash flow from investing activities:</b>                       |                                      |                                      |
| Purchase of fixed assets  | -                                    | -                                    |
| <b>Net cash from/(used in) investing activities - B</b>             | <b>-</b>                             | <b>-</b>                             |
| <b>C Cash flow from financing activities:</b>                       |                                      |                                      |
| Finance cost  | -                                    | -                                    |
| <b>Net cash from/(used in) financing activities - C</b>             | <b>-</b>                             | <b>-</b>                             |
| <b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b> | <b>(153)</b>                         | <b>(114)</b>                         |
| Opening cash and cash equivalents                                   | 232                                  | 346                                  |
| <b>Closing cash and cash equivalents</b>                            | <b>78</b>                            | <b>232</b>                           |

As per our report of even date

For Bagaria and Co. LLP

FRN - 113447W

Chartered Accountants

For HOVS Holdings Limited

  
Manager

Vinay Somani

Partner

M. No. 143503

Place : Vashi

Date : May 29, 2018



## HOVS Holdings Limited

Notes forming part of financial statements for the year ended March 31, 2018

(Rs. in Thousands, except no of shares)

| 10 | Earnings per share (EPS)  | 2017-18 | 2016-17 |
|----|---|---------|---------|
|    | Net profit/(loss) as per statement of profit and loss after tax | (152)   | (110)   |
|    | Weighted average number of equity shares                        | 1,001   | 1,001   |
|    | Nominal value of equity shares (Amount in HKD)                  | 1.00    | 1.00    |
|    | Basic and diluted earning per equity share (Amount in Rs.)      | (152)   | (110)   |

## 11 Disclosure on related party transactions

## Names of related parties and description of relationship:

| Name                 | Relationship      |
|----------------------|-------------------|
| HOV Services Limited | Holding Company   |
| HOVS LLC             | Fellow Subsidiary |
| HOV Environment, LLC | Fellow Subsidiary |

During the year, the following transactions were carried out with the above related parties in the ordinary course of business and outstanding balances as on March 31, 2018

(Rs. in Thousands)

| Name of the Party    | Nature of Balances  | As at March 31, 2018 | As at March 31, 2017 |
|----------------------|---------------------|----------------------|----------------------|
| HOVS ,LLC            | Advance receivables | 86,990               | 86,715               |
| HOV Environment LLC* | Advance receivables | 13,063               | 13,021               |

## Notes:

- a) Related party relationship is as identified by the management and relied upon by the auditors.  
b) Advance to HOV Environment LLC is given in the year 2012. Efforts are made by management to recover the said advance in due course.  
c) No amounts in respect of related parties have been written off/ written back during the year or has not made any provision been made for doubtful debts/ receivable except as disclosed above.

- 12 In the opinion of the management, assets other than fixed assets and non-current investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated. The Accounts of certain Trade Receivables, Trade Payables, Non-operative Banks / Lenders and Loans & Advances are however, subject to formal confirmations / reconciliations and consequent adjustments, if any. The management does not expect any material difference affecting the current year's financial statements.

Signature to Notes 1 - 12

For HOVS Holdings Limited

Place : Vashi

Date : May 29, 2018

  
Manager