

# **HOVS Holdings Limited**

**FINANCIAL STATEMENTS  
FOR THE YEAR  
ENDED MARCH 31, 2023**

**INDEPENDENT AUDITORS' REPORT**

**To the Board of Directors of  
HOVS HOLDINGS LIMITED**

**Report on the Financial Statements****Opinion**

We have audited the accompanying financial statements of **HOVS Holdings Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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 Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2023, its net loss, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made 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 audit opinion on the financial statements.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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 accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting



frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are 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 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial control 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 the 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 entity'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 entity 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 and 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matters:**

- (a) The opening balances and comparative financial information of the Company for the year ended March 31, 2022 has been audited by the predecessor auditor who has expressed an unmodified opinion on those financial statements vide their report dated May 25, 2022 and opening balances have been considered based on such audited financial statements.
- (b) The audit report has been prepared for the purpose of enabling Ultimate Holding Company's financial reporting requirement under the Act to be submitted before Reserve Bank of India with Annual Performance Report (APR) and should not be used for purposes other than that which it is meant for.

Our opinion on the financial statement is not modified in respect of the above matters.

Place: Mumbai  
Date : May 26, 2023



For Lodha & Company  
Firm Registration No. – 301051E  
Chartered Accountants  
  
R.P. Baradiya  
Partner  
Membership No. 044101  
UDIN : 23044101BGTSJY9384

# HOVS Holdings Limited

## Balance Sheet As At March 31, 2023

(All amounts in INR Thousands, unless otherwise stated)

Particulars	Note No	As At March 31, 2023	As At March 31, 2022
<b>Assets</b>			
<b>Current assets</b>			
Financial assets			
Loans & Advances	2	-	75,090
<b>Total non-current assets</b>		-	75,090
<b>Total assets</b>		-	75,090
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	3	10	10
Other equity		(10)	75,080
<b>Total equity</b>		-	75,090
<b>Total equity and liabilities</b>		-	75,090

Significant accounting policies.

1

The accompanying notes 2-10 are an integral part of the financial statements.

As per our report of even date

**For Lodha & Company**

Firm Registration No. – 301051E

Chartered Accountants

**For HOVS Holdings Limited**

  
**R.P. Baradiya**  
 Partner

  
**Sunil Rajadhyaksha**  
 Manager

Place : Mumbai

Date : May 26, 2023

Place : Pune

Date : May 26, 2023



**HOVS Holdings Limited**  
**Statement of Profit and Loss For The Year Ended March 31, 2023**  
(All amounts in INR Thousands, unless otherwise stated)

Particulars	Note No	For The Year Ended March 31, 2023	For The Year Ended March 31, 2022
<b>Income</b>			
Revenue from operations		-	-
<b>Total Income</b>		-	-
<b>Expenditure</b>			
Other expenses		-	-
<b>Total Expenditure</b>		-	-
<b>Profit/(Loss) before exceptional items</b>		-	-
Exceptional items	9	(79,634)	(25,846)
<b>Profit after exceptional items</b>		<b>(79,634)</b>	<b>(25,846)</b>
<b>Profit/(loss) before tax</b>		<b>(79,634)</b>	<b>(25,846)</b>
Tax expense		-	-
<b>Profit/(loss) after tax</b>		<b>(79,634)</b>	<b>(25,846)</b>
<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>		<b>(79,634)</b>	<b>(25,846)</b>
<b>Earnings per share</b>	8		
Basic & diluted Earning Per Share :			
Basic & Diluted Earning Per Share-before exceptional items		(79.55)	(25.82)
Basic & Diluted Earning Per Share-after exceptional items		(79.55)	(25.82)
Significant accounting policies.	1		

The accompanying notes 2-10 are an integral part of the financial statements.

As per our report of even date

**For Lodha & Company**

Firm Registration No. – 301051E

Chartered Accountants

**For HOVS Holdings Limited**

  
**R.P.Baradiya**  
Partner



Place : Mumbai  
Date : May 26, 2023

  
**Sunil Rajadhyaksha**  
Manager

Place : Pune  
Date : May 26, 2023

# HOVS Holdings Limited

## Statement of Changes in Equity for the year ended March 31, 2023

(All amounts in INR Thousands, unless otherwise stated)

### EQUITY SHARE CAPITAL :

Particular	Balance as at April 1, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022	Changes in equity share capital during the year	Balance as at March 31, 2023
Equity Share Capital :	9	1	10	-	10

### OTHER EQUITY :

Particulars	Reserve and Surplus		Other Comprehensive Income		Total
	Foreign Exchange Translation Reserve	Retained earnings			
Balances as at April 1, 2021	43,337	54,960	-	-	98,297
Profit/(Loss) for the year	-	(25,846)	-	-	(25,846)
Foreign exchange variation during the year	2,629	-	-	-	2,629
Balance as at March 31, 2022	45,966	29,114	-	-	75,080
Balance as at March 31, 2022	45,966	29,114	-	-	75,080
Profit/(Loss) for the year	4,544	(79,634)	-	-	(75,090)
Foreign exchange variation during the year	-	-	-	-	-
Balance as at March 31, 2023	50,510	(50,520)	-	-	(10)

Significant accounting policies.

1

The accompanying notes 2-10 are an integral part of the financial statements.

As per our report of even date

**For Lodha & Company**

Firm Registration No. – 301051E

Chartered Accountants

**For HOVS Holdings Limited**

*R.P. Baradiya*

**R.P. Baradiya**  
Partner

Place : Mumbai

Date : May 26, 2023

*Sunil Rajadhyaksha*

**Sunil Rajadhyaksha**  
Manager

Place : Pune

Date : May 26, 2023



**HOVS Holdings Limited**  
**Cash flow statement For The Year Ended March 31, 2023**  
(All amounts in INR Thousands, unless otherwise stated)

Particulars	For The Year Ended March 31, 2023	For The Year Ended March 31, 2022
<b>A Cash flow from Operating Activities:</b>		
Net profit/(loss) before tax and exceptional items	-	-
<b>Add: Adjustments for</b>		
Foreign exchange (gain)/loss, net	-	-
<b>Operating profit before working capital changes</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>	-	-
Taxes paid	-	-
<b>Net cash from/(used in) operating activities - A</b>	-	-
<b>B Cash flow from investing activities:</b>		
<b>Net cash from/(used in) investing activities - B</b>	-	-
<b>C Cash flow from financing activities:</b>		
<b>Net cash from/(used in) financing activities - C</b>	-	-
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	-	-
Opening cash and cash equivalents	-	-
<b>Closing cash and cash equivalents</b>	-	-

Significant accounting policies note no

1

The accompanying notes 2-10 are an integral part of the financial statements.

As per our report of even date  
**For Lodha & Company**  
Firm Registration No. – 301051E  
Chartered Accountants

**For HOVS Holdings Limited**

  
**R.P.Baradiya**  
Partner



Place : Mumbai  
Date : May 26, 2023

  
**Sunil Rajadhyaksha**  
Manager

Place : Pune  
Date : May 26, 2023



## Overview of the Company:

HOVS Holdings Ltd is 100% subsidiary of HOV Services Ltd. The Company was registered in China and its office is situated in Hong Kong.

## 1. SIGNIFICANT ACCOUNTING POLICIES

Following are the group's significant accounting policies as followed by the Company

### 1.1 BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under the Companies (Indian Accounting standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendments Rules 2016 prescribed under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014.

The financial statements are prepared and presented on accrual basis and under the historical cost convention.

### 1.2 USE OF ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires that the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.

The estimates and judgements used in the preparation of the financial statements are continuously evaluated and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

All the assets and liabilities have been classified as current or non-current as per the company's normal operating cycle of twelve months and other criteria set out in Schedule III to the Companies Act, 2013.

### 1.3 PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS

#### Property, Plant and Equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Costs include freight, import duties, non-refundable purchase taxes and other expenses directly attributable to the acquisition of the asset.



### **Intangible Assets**

Intangible assets are held on the balance sheet at cost less accumulated amortisation and impairment losses. Intangible assets developed or acquired with finite useful life are amortized on straight line basis over the useful life.

### **Depreciation/amortisation:**

Tangible Assets - Depreciation on Property, Plant and Equipment is provided based on useful life and in the manner prescribed in part C of Schedule II of the Companies Act, 2013 or as per Management's estimate of useful life of the assets.

Intangible Assets – Other Software products are amortized over its period of license.

The Company reviews the useful lives and residual value at each reporting date.

## **1.4 IMPAIRMENT OF NON FINANCIAL ASSETS**

The Company assesses at each reporting date whether there is any objective evidence that a non-financial asset or a group of non-financial assets are impaired. If any such indication exists, the Company estimates the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

## **1.5 REVENUE RECOGNITION**

Revenue is recognized to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be measured reliably.

### **Rendering of services:**

Revenue from sale of services are recognized when the services are rendered.

In respect of consultancy services the income is recognized as and when the invoices are raised and accepted or certified by the party.

### **Other Income**

Interest income is recognized on a time proportionate basis taking into account the amounts invested and the rate of interest.

## **1.6 FINANCIAL INSTRUMENTS**

### **Financial assets - Initial recognition**

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Profit and Loss.



### Subsequent measurement

Financial assets, other than equity instruments, are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- (a) the entity's business model for managing the financial assets and
- (b) the contractual cash flow characteristics of the financial asset.

**(a) Measured at amortised cost:**

A financial asset is measured at amortised cost, if it is held under the hold to collect business model i.e. held with an objective of holding the assets to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest on the principal outstanding.

**(b) Measured at fair value through other comprehensive income (FVOCI):**

A financial asset is measured at FVOCI, if it is held under the hold to collect and sell business model i.e. held with an objective to collect contractual cash flows and selling such financial asset and the contractual cash flows are solely payments of principal and interest on the principal outstanding. It is subsequently measured at fair value with fair value movements recognised in the OCI, except for interest income which recognised using EIR method. The losses arising from impairment are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in the OCI is reclassified from the equity to Statement of Profit and Loss.

**(c) Measured at fair value through profit or loss (FVTPL):**

Investment in financial asset other than equity instrument, not measured at either amortised cost or FVOCI is measured at FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the Statement of Profit and Loss.

### Equity Instruments:

All investments in equity instruments classified under financial assets are subsequently measured at fair value. Equity instruments which are held for trading are measured at FVTPL.

### Impairment

The Company recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortised cost and at FVOCI.

The Company's trade receivables or contract revenue receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall, being simplified approach for recognition of impairment loss allowance.

For financial assets other than trade receivables, the Company recognises 12-month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition.



the transaction. Exchange differences arising out of these transactions are charged to the Statement of Profit and Loss.

**1.8 TAXES ON INCOME**

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

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax assets are not recognised where it is more likely than not that the assets will not be realised in the future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

**1.9 PROVISIONS AND CONTINGENCIES**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

**1.10 CASH AND CASH EQUIVALENTS**

Cash and Cash equivalents include cash and Cheque in hand, bank balances, demand deposits with banks and other short-term highly liquid investments that are readily convertible to known amounts of cash & which are subject to an insignificant risk of changes in value where original maturity is three months or less.

**1.11 CASH FLOW STATEMENT**

Cash flows are reported using the indirect method where by the profit before tax is adjusted for the effect of the transactions of a non-cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.



**1.12 EARNINGS PER SHARE**

Basic EPS is arrived at based on net profit after tax available to equity shareholders to the weighted average number of equity shares outstanding during the year.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless impact is anti-dilutive.

**1.13 EXCEPTIONAL ITEMS**

When an item of income or expense within profit or loss from ordinary activity is of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the year, the nature and amount of such items is disclosed as exceptional items.

**1.14 RECENT ACCOUNTING PRONOUNCEMENTS:**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

**Ind AS 1 – Presentation of Financial Statements**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

**Ind AS 12 – Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the Initial recognition exemption of Ind AS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision.

**Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The definition of a "change in accounting estimates" has been replaced with a definition of "accounting estimates". Accounting estimates are defined as "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.



**HOVS Holdings Limited****Notes forming part of financial statements for the year ended March 31, 2023**

(All amounts in INR Thousands, unless otherwise stated)

Particulars	As at, March 31, 2023	As at, March 31, 2022
<b>1 Overview of the Company</b>		
HOVS Holdings Ltd is 100% subsidiary of HOV Services Ltd. The Company was registered in China and its office is situated in Hong Kong.		
<b>SIGNIFICANT ACCOUNTING POLICIES</b>		
Significant accounting policies which is applicable to the Group has been followed by the Company. Therefore, please refer Significant Accounting policies applicable to the disclosed in the Consolidated financial statements.		
<b>2 Loans &amp; advances</b>		
<b>Unsecured</b>		
Advances recoverable from fellow subsidiaries :		
Considered good	-	1,01,385
Considered doubtful (Refer note 9)	1,26,469	15,224
Less provision for doubtful debt	(1,26,469)	(41,519)
<b>Total</b>	<b>-</b>	<b>75,090</b>
<b>3 Equity Share Capital</b>		
<b>Issued, subscribed and paid up</b>		
<b>Number of Equity Shares of HKD 1 each</b>	<b>1001</b>	<b>1001</b>
<b>Equity Shares capital</b>	<b>10</b>	<b>10</b>
<b>The details of Shareholders holding more than 5% shares:</b>		
<b>Name of the Shareholders</b>		
<b>HOV Services Limited</b>		
No of Shares	<b>1001</b>	<b>1001</b>
% of Holding	<b>100%</b>	<b>100%</b>
<b>4 Financial Instruments</b>		
The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:		
Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.		
Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.		
Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.		
As per IndAs 107 "financial Instruments: Discloser", fair value disclosures are not required when the carrying amounts reasonably approximate the fair value. Accordingly fair value disclosures have not been made for the following financial instruments:-		
Loans and advances		
Cash and cash equivalents		



## HOVS Holdings Limited

### Notes forming part of financial statements for the year ended March 31, 2023

(All amounts in INR Thousands, unless otherwise stated)

#### 5 Risk Management

##### Financial risk management objectives and policies

The Company does not have any business activities except for holding investment and hence risk applicable as Group has been disclosed in the Consolidated financial statements.

##### Derivative financial instruments

The Company has not entered into any derivative financial instruments during the current year and previous year.

#### 6 Capital risk management

The Company does not have any borrowings and hence risk applicable as Group has been disclosed in the Consolidated financial statements.



**HOVS Holdings Limited****Notes forming part of financial statements for the year ended March 31, 2023**

(All amounts in INR Thousands, unless otherwise stated)

<b>8 Earnings per share (EPS)</b>	<b>2022-23</b>	<b>2021-22</b>
Net profit/(loss) as per statement of profit and loss before exceptional items	-	-
Net profit/(loss) as per statement of profit and loss after exceptional items	(79,634)	(25,846)
Weighted average number of equity shares	1001	1001
Nominal value of equity shares (Amount in HKD)	1	1
Basic and diluted earning per equity share before exceptional items Rs	-	-
Basic and diluted earning per equity share after exceptional items Rs	(79.55)	(25.82)

**9 Disclosure on related party transactions****Names of related parties and description of relationship:**

<b>Name</b>	<b>Relationship</b>
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, 2023

<b>Name of the Party</b>	<b>Nature of Balances</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
HOVS, LLC	Advance receivable	1,09,958	1,01,385
	Provision for doubtful debts	(1,09,958)	(26,295)
HOV Environment LLC*	Advance receivable	16,511	15,224
	Provision for doubtful debts	(16,511)	(15,224)

**Notes:**

- Related party relationship is as identified by the management and relied upon by the auditors.
- \* Advance receivable from HOV Environment LLC and HOVS, LLC is provided for as there are losses in those companies and management is doubtful of the recovery of the said advances.
- 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.

**10 Previous years' figures have been regrouped/reclassified wherever necessary to conform the current year's classification.**

Signature to Notes 1 - 10

**HOVS Holdings Limited**

Place : Pune

Date : May 26, 2023

  
**Sunil Rajadhyaksha**  
 Manager

