September 7, 2022

To
The Manager- Compliance Department
Bombay Stock Exchange Limited
Floor 25, P. J. Tower, Dalal Street,
Mumbai -400 001.

BSE Scrip Code: 532761

To
The Manager- Compliance Department
National Stock Exchange of India Limited
'Exchange Plaza', Bandra Kurla Complex,
Bandra (East), Mumbai-400 051

NSE symbol: HOVS

Subject: Your e-mail dated September 2, 2022 regarding Non-submission of Annual Report (2021-22)

Ref: Annual Report

Dear Sir/Madam,

With respect to your above email, we submit the Annual Report. We wish to further inform that the Company on June 25, 2022 had submitted the copy of Annual Report for FY 2021-22 along with Notice of 34th Annual General Meeting convened, July 20, 2022 (IST) through Video Conferencing (VC) or Other Audio Video Means (OAVM). The submission is enclosed for your reference.

Kindly take the above on record.

Thanking you,

Yours faithfully,
For **HOV Services Limited**

Bhuvanesh Sharma
VP-Corporate Affairs &
Company Secretary &
Compliance Officer

Encls: Submission made on June 25, 2022 for Annual Report FY 2021-22.

June 25, 2022

To
The Manager- Compliance Department
Bombay Stock Exchange Limited
Floor 25, P. J. Tower, Dalal Street,
Mumbai -400 001.

BSE Scrip Code: 532761

To
The Manager- Compliance Department
National Stock Exchange of India Limited
'Exchange Plaza', Bandra Kurla Complex,
Bandra (East), Mumbai-400 051

NSE symbol: HOVS

Subject: Submission of Notice of 34th Annual General Meeting ("AGM") & Annual Report for the FY 2021-22

Ref: Regulation 30 & 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

Please be informed that on June 25, 2022 the Company had sent the Notice of 34th AGM along with copy of Annual Report in electronic mode only to eligible shareholders and the same is available on the website www.hovsltd.com of the Company. Enclosed herewith the copy of Annual Report for FY 2021-22 along with Notice of 34th Annual General Meeting convened on Wednesday, July 20, 2022 at 10:00 AM (IST) through Video Conferencing (VC) or Other Audio Video Means (OAVM).

Kindly take the above on record.

Thanking you,

Yours faithfully,
For **HOV Services Limited**

Bhuvanesh Sharma
VP-Corporate Affairs &
Company Secretary &
Compliance Officer

Encls: Notice of 34th AGM and Annual Report FY 2021-22.

Notice of 34th Annual General Meeting

NOTICE is hereby given that the Thirty-Fourth (34th) Annual General Meeting (the "AGM") of the Members of HOV Services Limited will be held on July 20, 2022, the Wednesday at 10:00 AM IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. **To consider and adopt the a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022, together with the Reports of the Board of Directors and the Auditors' thereon; and b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022 together with the Report of the Auditors thereon.**

   To consider and if thought fit to pass the following resolution as an **Ordinary Resolutions**.

   a) **"RESOLVED THAT** the Audited Financial Statements of the Company for the financial year ended March 31, 2022 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted."

   b) **"RESOLVED THAT** the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022 and the report of the Auditors thereon, as circulated to the members, be and are hereby considered and adopted."

2. **Appointment of Director**

   To re-appoint Mr. Surinder Rametra (DIN: 00019714), Director, who retires by rotation and, being eligible, seeks re-appointment.

   To consider and if thought fit to pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Surinder Rametra, Director, who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

3. **Appointment of Statutory Auditors**

   To appoint M/s Lodha & Company, Chartered Accountants as the Statutory Auditors of the Company for a term of 5 years.

   To consider and if thought fit to pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of section 139, 142 and other applicable provisions, if any, of Companies Act, 2013, read with Rule 6 of Companies (Audit and Auditors) Rules, 2014 (Including any modification or re-enactment thereof, for the time being in force), and pursuant to the recommendation of the Audit Committee, M/s Lodha & Company, Chartered Accountants (Firm Registration Number 301051E) be and is hereby appointed as the Statutory Auditors of the Company for a term of 5 years to hold office from the conclusion of this 34th Annual General Meeting until the conclusion of the 39th Annual General Meeting to be held in year 2027, in place of retiring auditors M/s BAGARIA & Co., Chartered Accountants, (Firm Registration Number 113447W/W-100019), at such remuneration and out of pocket expenses and other expenses as may be mutually agreed between the Board of Directors of the Company and M/s Lodha & Company, Chartered Accountants as the Statutory Auditors of the Company."

   "RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do and perform all such acts, matters, deeds and things, as may be necessary, to amend the terms and

conditions of appointment, if necessary, and to act in its own discretion, including the power to delegate, to give effect to this resolution."

"RESOLVED FURTHER THAT any of the Key Managerial Personnel of the Company, be and is hereby authorized, to do all such acts, deeds, matters or things as may be necessary or desirable to give effect to this resolution."

SPECIAL BUSINESS:

4. Appointment/Re-appointment of Mr. Vikram Negi (DIN 01639441) as a Whole Time Director, of the Company for a further term of five years from September 1, 2022 till August 31, 2027.

To consider and if thought fit to pass the following resolution as a **Special Resolution:**

"RESOLVED THAT as recommended by Nomination and Remuneration Committee, pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), read with schedule V thereto and the Companies (Appointment and Remuneration of Managerial Personnel) amendment Rules, 2018 (including any amendment or statutory modification thereto for the time being in force) and subject to such approval of the Central Government, as may be necessary, Mr. Vikram Negi (DIN 01639441),whose term will get over on August 31, 2022, the approval of the shareholders of the Company be and is hereby accorded for the appointment/re-appointment of Mr. Vikram Negi (DIN 01639441) as a Whole-time Director, with the designation as the Chairman & Executive Director of the Company for a further period of five years term commencing from September 1, 2022 till August 31, 2027 upon the terms and conditions, including remuneration and minimum remuneration in the event of absence or inadequacy of profits within the ceiling limits as prescribed in Schedule V of the Act, with liberty to the Board of Directors, to alter or vary the terms and conditions and remuneration including minimum remuneration in such manner as the Board may deem fit and is acceptable to Mr. Vikram Negi."

"RESOLVED FURTHER THAT in the event of any statutory modification by the Central Government to schedule V to the Act, the Board of Directors be and is hereby authorised to vary or increase the remuneration including salary, commission, perquisites, allowances etc. within such prescribed limits/ ceiling and the agreement between the Company and Mr. Vikram Negi be suitably amended to give effect to such modification without any further reference to the members of the Company in general meeting."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do and perform all such acts, matters, deeds and things, as may be necessary, to amend the terms and conditions of appointment, if necessary, and to act in its own discretion, including the power to delegate, to give effect to this resolution."

"RESOLVED FURTHER THAT any of the Key Managerial Personnel of the Company, be and is hereby authorized, to do all such acts, deeds, matters or things as may be necessary or desirable to give effect to this resolution."

5. Contract of services for revenue in ordinary course of business of the Company with SourceHOV LLC & HOVG LLC, related party/s transactions.

To consider and if thought fit to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and pursuant to Section 188 the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, and subject to other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification

or re-enactment thereof for the time being in force), the Rules thereunder and as recommended by the Audit Committee, the approval of the shareholders of the Company be and is hereby accorded for services contract of yearly value of Rs 15 Crore by the Company with SourceHOV LLC and HOVG LLC for rendering the services by the Company for the financial year 2022-2023 on such terms and conditions as may be mutually agreed upon between the Board of Directors of the Company and SourceHOV LLC and HOVG LLC, being related parties."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to deal in respect of service contracts for further periods as deemed fit by the Board and to perform all such acts, matters, deeds and things, as may be necessary, to amend the terms and conditions of service contracts, if necessary and to act as may be necessary or expedient in its own discretion, without further referring to the Shareholders' of the Company, including the power to delegate, to give effect to this Resolution."

6. Contract of lease agreement of the Company Premises with Exela Technologies India Private Limited, a related party transaction.

To consider and if thought fit to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and pursuant to Section 188 the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, and subject to other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force) the Rules thereunder, the approval of the shareholders of the Company be and is hereby accorded for lease of the Company premises situated at VAT 331, Vashi Infotech Park, Vashi, Navi Mumbai to Exela Technologies India Private Limited for a period of five years on a monthly lease rent of Rs. 9,40,302/- with 5% increase in lease rent over end of each lease year, on such other terms and conditions of lease agreement and with such modifications as may be required as the Board of Directors of the Company deems fit, on the arm's length basis for lease agreement."

"RESOLVED FURTHER THAT any of the Key Managerial Personnel of the Company, be and is hereby authorized, to do all such acts, deeds, matters or things as may be necessary or desirable to give effect to this resolution."

7. Sale of Company Premises to Exela Technologies India Private Limited, a related party transaction.

To consider and if thought fit to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT in accordance with Regulation 23 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and pursuant to Section 188 the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, and subject to other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force) the Rules thereunder, the approval of the shareholders of the Company be and is hereby accorded for sale of immovable property admeasuring 13,243.690 Sq. feet of area situated at VAT 331, 3rd Floor, Tower No.3, Vashi Infotech Park, Vashi, Navi Mumbai (the "Property") of the Company at an aggregate consideration of not less than Rs. 19.86 Crore (the value arrived at by the Independent property valuer) to Exela Technologies India Private Limited on such terms and conditions and with such modifications as may be required as the Board of Directors of the Company deems fit, on the arm's length basis for the sale agreement."

"RESOLVED FURTHER THAT any of the Key Managerial Personnel of the Company, be and is hereby authorized, to do all such acts, deeds, matters or things as may be necessary or desirable to give effect to this resolution."

8. Repayment of advance by HOVS LLC to HGM Fund LLC, a related party transaction.

To consider and if thought fit to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT in accordance with Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the approval of the shareholders of the Company be and is hereby accorded for re-payment of advance of US$ 1.37 Million (approx. Rs. 10.28 Crore, subject to applicable USD-INR exchange conversion rate at the time of repayment) by HOVS LLC to HGM Fund LLC, a related party, on such terms and conditions and with such modifications as may be required as the Board of Directors of the Company deems fit."

"RESOLVED FURTHER THAT any of the Key Managerial Personnel of the Company, be and is hereby authorized, to do all such acts, deeds, matters or things as may be necessary or desirable to give effect to this resolution."

EXPLANATORY STATEMENT Pursuant to Section 102 of the Companies Act, 2013 is annexed to this Notice.

By Order of the Board
For **HOV Services Limited**

Bhuvanesh Sharma
VP-Corporate Affairs &
Company Secretary &
Compliance Officer

Place: Pune
Date: May 27, 2022

Registered Office:
3rd Floor, Sharda Arcade,
Pune Satara Road, Bibwewadi,
Pune – 411037, Maharashtra
CIN: L72200PN1989PLC014448
Email: investor.relations@hovsltd.com
webite : www.hovsltd.com

NOTES TO THE NOTICE OF THE AGM:

1. In view of the prevailing COVID-19 pandemic and restrictions on the movements apart from social distancing norms, the Ministry of Corporate Affairs ("MCA") vide circular Nos. Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 read with Circular No. 20/2020 dated May 05, 2020, (collectively referred to as the "MCA Circulars") permitted the holding of Annual General Meeting ("AGM") through Video Conference ("VC") or Other Audio Visuals Means ("OVAM"), without the physical presence of the Members at a common venue.

Further, the MCA vide its General Circular No. 22/2020 dated June 15, 2020 and General Circular No. 33/2020 dated September 28, 2020 and General Circular No. 39/2020 dated December 31, 2020 and further the MCA vide its General Circulars No.2/2022 dated May 5, 2022 and SEBI vide its Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 extended the above exemptions till December 31, 2022.

2. Accordingly, in accordance with the MCA Circulars, provisions of the Companies Act, 2013 ("Act"), and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the 34th AGM of the Company is being held through VC / OAVM. The Registered office of the Company situated at 3rd Floor Sharda Arcade, Bibwewadi, Pune Satara Road, Pune -411037 shall be deemed as the venue for the Meeting and the proceedings of the AGM shall be deemed to be made thereat.

3. **The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the business under Item Nos. 3 to 8 of the Notice, is annexed hereto.**

4. **A Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and a proxy need not be a Member of the company.** Since, this AGM is being held through VC/OAVM under the framework of the provisions of the MCA Circulars, physical attendance of the Members has been dispensed with. Accordingly, the facilities for appointment of proxies by the Members is not available for the AGM and hence the Proxy Form and Attendance Slip are not provided with this Notice.

5. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.

6. The details of the Directors seeking appointment/re-appointment at this AGM, as required in terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in the Annexure to the Notice.

7. **DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE**

In accordance with the above MCA Circulars and SEBI Circular, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories.

The Notice and Annual Report 2021-22 will also be available on the Company's website www.hovsltd.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and also available on the website of Company's Registrar and Transfer Agent, KFin Technologies Limited ("KFinTech") at https://evoting.kfintech.com

8. GUIDELINE FOR RECEIVING ALL COMMUNICATION (INCLUDING ANNUAL REPORT) FROM THE COMPANY ELECTRONICALLY:

a) Those Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at investor.relations@hovsltd.com or to KFinTech at einward.ris@kfintech.com

b) Those Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant.

9. PROCEDURE FOR JOINING/ATTENDING THE AGM THROUGH VC/ OAVM

The Company has appointed M/s KFin Technologies Limited, Registrars and Transfer Agents, to provide VC/OAVM to enable the Members to attend and participate in the AGM.

a) **Members will be able to attend the AGM through VC / OAVM or view the live webcast at https://emeetings.kfintech.com by using their e-voting login credentials. Members are requested to follow the procedure given below:**

i. Launch internet browser (chrome/firefox/safari) by typing the URL: https://emeetings.kfintech.com

ii. Enter the login credentials (i.e., User ID and password for e-voting).

iii. After logging in, click on "Video Conference" option.

iv. Then click on camera icon appearing against AGM event of HOV Services Limited, to attend the Meeting.

b) Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the procedure given in the E-voting instructions.

c) Members who would like to express their views or ask questions during the AGM may register themselves by logging on https://emeetings.kfintech.com and clicking on the 'Speaker Registration' option available on the screen after log in. **The Speaker Registration will be open during July 16, 2022 to July 18, 2022**. Only those members who are registered will be allowed to express their views or ask questions. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.

d) Those Members who have registered themselves as a speaker will only be allowed to ask questions /express their views during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

e) Due to limitations of transmission and coordination during the Q&A session, the Company may dispense with the "Speaker Registration" during the AGM.

f) Members will be allowed to attend the AGM through VC / OAVM on first come, first served basis. No restrictions on account of first come first served basis entry into AGM in respect of large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional

Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee; Stakeholders Relationship Committee, and Auditors.

g) Facility to join the AGM through VC / OAVM shall be open 30 minutes before the scheduled time of the AGM and shall be closed after 15 minutes after the scheduled time of AGM.

10. Members who need assistance before or during the AGM, can contact Mr. Mohd Mohsin Uddin, Senior Manager, KFin Technologies Limited at Selenium Tower B, Plot 31-32, Financial District, Nanakramguda Serilingampally Mandal, Hyderabad, 500032, Telangana or send an email to einward.ris@kfintech.com or call on toll free number 1800-309-4001. Kindly quote your name, DP ID-Client ID / Folio no. and E-voting Event Number in all your communications.

11. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

12. Members (members login) attending the AGM through VC / OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.

13. Corporate/ Institutional Members are required to send a scanned copy (PDF/JPG Format) of its board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered email address to prajot@prajottungarecs.com with a copy marked to evoting@kfintech.com

PROCEDURE FOR REMOTE E-VOTING AND VOTING AT THE AGM

14. Remote e-Voting: Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended) and the MCA Circulars, the Company is providing facility to its Members to exercise their right to vote on resolutions resolutions proposed to be passed at AGM by electronic means ("e-voting"). Members may cast their votes remotely, using an electronic voting system on the dates mentioned herein below ("remote e-voting'').

15. Voting at the AGM: Members who could not vote through remote e-voting may avail the e-voting facility provided by M/s KFin Technologies Limited to vote during AGM.

16. The Company has engaged the services of KFin Technologies Limited as the agency to provide e-voting facility.

17. The remote e-voting facility will be available during the following voting period:

Commencement of remote e-voting	**Sunday, July 17, 2022 at 9:00 AM IST**
End of remote e-voting	**Tuesday, July 19, 2022 at 5:00 PM IST**

The remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be forthwith disabled by the agency upon expiry of the aforesaid period. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.

18. The voting rights of the Members shall be reckoned in proportion to their shares holding either in physical form or in dematerialized form as on the cut-off date i.e. July 13, 2022.

19. The Board of Directors has appointed **Mr. Prajot Tungare, Practicing Company Secretary, Pune as a Scrutinizer** to scrutinize the remote e-voting and voting during AGM in a fair and transparent manner.

20. The scrutinizer shall immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, not later than 48 hours of conclusion of the AGM to the Chairman of the Company or a person authorized by the Chairman. The Chairman or the person authorized by the Chairman, shall declare the result of the voting forthwith.

21. The Results on resolutions shall be declared after the AGM of the Company and subject to the requisite number of votes in favour the resolutions shall be deemed to be passed on the date of the Meeting i.e. **July 20, 2022.**

The Results declared along with the Scrutinizer's Report shall be placed at the Company's website www.hovsltd.com and on the website of Kfintech i.e. https://evoting.kfintech.com and shall be field simultaneously with the stock exchanges.

22. The Register of Members and Transfer Books of the Company will be closed from **July 17, 2022, to July 20, 2022** both days inclusive.

23. Members holding shares in physical form are requested to quote their folio number in all correspondence with the Company and to intimate the following directly to the Company's Registrar and Share Transfer Agent- KFin Technologies Limited, Selenium, Tower B, Plot number 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad 500 032, Telangana:

a. Change, if any in their address;

b. Request for nominations form as per the provisions of the Companies Act, 2013.

c. Members holding share in dematerlized form are requested to contact their Depository Participant for any change in their particulars.

24. At the 29th AGM held on September 1, 2017 the Members approved appointment of M/s BAGARIA & Co., Chartered Accountants, (Firm Registration Number 113447W/W-100019) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that 29th AGM till the conclusion of this 34th AGM in year 2022, hence shall retire. Accordingly, resolutions for appointment of M/s Lodha & Company is being proposed for their appointment as statutory auditors at this 34th AGM.

25. INSPECTION OF DOCUMENTS

The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM.

The certificate from the Auditors of the Company certifying that the Company's HOVS ESOP Plan 2007 is being implemented in accordance with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 will be available electronically for inspection by the members during the AGM.

26. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK NTIME, CDSL. Click on e-Voting service provider name to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43.

Instructions for remote e-voting are as under- For Physical cases (Shares held in Physical Mode)

I. Launch internet browser by typing the URL: https://evoting.kfintech.com

II. Enter the login credentials provided in the email and click on Login.

III. Password change menu appears when you login for the first time with default password. You will be required to mandatorily change the default password.

IV. The new password should comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, $, etc.,).

V. Update your contact details like mobile number, email address, etc. if prompted. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

VI. Login again with the new credentials.

VII. On successful login, the system will prompt you to select the "EVENT" i.e. **"HOV SERVICES LIMITED"**.

VIII. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off date under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR / AGAINST" taken together shall not exceed your total shareholding as mentioned above. If the member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

IX. Members holding multiple folios s may choose to vote differently for each folio / demat account.

X. You may then cast your vote by selecting an appropriate option and click on "Submit. A confirmation box will be displayed. Click "OK" to confirm or "CANCEL" to modify. Once you confirm the voting on the resolution, you will not be allowed to modify your vote thereafter. During the voting period, members can login multiple times and vote until they confirm the voting on the resolution by clicking "SUBMIT".

XI. Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/ JPG format) of certified true copy of relevant board resolution/ authority letter, etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutiniser through email at and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format **'HOV SERVICES LIMITED _EVENT No'**

XII. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members at https://evoting.kfintech.com/public/Faq.aspx or call KFin on 1-800-309-4001 (toll free).

Those members who have not yet registered their email addresses are requested to get their email addresses registered with KFin, by following the procedure mentioned below:

Visit the link: AGM/EGM - Mobile & Email Registration

I. https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx

II. Select the company name i.e. HOV SERVICES LIMITED

III. Select the Holding type from the drop down i.e. - NSDL / CDSL / Physical

IV. Enter DPID - Client ID (in case shares are held in electronic form) / Physical Folio No. (in case shares are held in physical form) and PAN.

V. If PAN details are not available in the system, the system will prompt to upload a self-attested copy of the PAN card for updating records.

VI. In case shares are held in physical form and PAN is not available in the records, please enter any one of the Share Certificate No. in respect of the shares held by you.

VII. Enter the email address and mobile number.

VIII. System will validate DP ID - Client ID/ Physical Folio No. and PAN / Share certificate No., as the case may be, and send the OTP at the registered Mobile number as well as email address for validation.

IX. Enter the OTPs received by SMS and email to complete the validation process. OTPs validity will be for 5 minutes only.

X. The Notice and e-voting instructions along with the User ID and Password will be sent on the email address updated by the member.

XI. Alternatively, members may send an email request addressed to einward.ris@kfintech.com along with scanned copy of the request letter duly signed by the first shareholder, providing the email address, mobile number, self-attested copy of PAN and Client Master copy in case shares are held in electronic form or copy of the share certificate in case shares are held in physical form, to enable KFin to register their email address and to provide them the Notice and the e-voting instructions along with the User ID and Password.

XII. Please note that in case the shares are held in electronic form, the above facility is only for temporary registration of email address for receipt of the Notice and the e-voting instructions along with the User ID and Password. Such members will have to register their email address with their DPs permanently, so that all communications are received by them in electronic form.

XIII. In case of queries, members are requested to write to einward.ris@kfintech.com or call at the toll free number 1-800- 309-4001

27. INFORMATION AND INSTRUCTIONS FOR MEMBERS FOR E-VOTING DURING THE AGM

a) Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

b) The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

28. In case of any query pertaining to remote e-voting, joining AGM through VC and related matters, may refer to the "Help" and "FAQs" sections / E-voting user manual available through a dropdown menu in the "Downloads" section of KFinTech's website for e-voting: https://evoting.kfintech.com or contact Mr. Mohd Mohsin Uddin, Senior Manager, KFin Technologies Limited at Selenium Tower B, Plot 31-32, Financial District, Nanakramguda Serilingampally Mandal, Hyderabad 500 032 or send an email to evoting@kfintech.com or call Toll-free No. 1800-309-4001.

By Order of the Board
For **HOV Services Limited**

Bhuvanesh Sharma
VP-Corporate Affairs &
Company Secretary &
Compliance Officer

Place: Pune
Date: May 27, 2022

Registered Office:
3rd Floor, Sharda Arcade,
Pune Satara Road, Bibwewadi,
Pune – 411037, Maharashtra
CIN: L72200PN1989PLC014448
Email: investor.relations@hovsltd.com
Website : www.hovsltd.com

ANNEXURE TO THE NOTICE OF 34th AGM

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following explanatory statement sets out all material facts relating to the business mentioned under **Item Nos. 3 to 8** of the accompanying Notice of 34th Annual General Meeting:-

Item No. 3 Appointment of M/s Lodha & Company, Chartered Accountants as the Statutory Auditors of the Company

The Statutory Auditors M/s. BAGARIA & Co., Chartered Accountants were appointed by the shareholders in 29th AGM held on September 1, 2017 for a term of five years until conclusion of this 34th AGM of this year 2022. Accordingly, M/s. BAGARIA & Co. would retire at the conclusion of 34th AGM pursuant to the provisions of Section 139 of the Companies Act, 2013.

The Board of Directors of the Company at their meeting held on May 27, 2022 on the recommendations of the Audit Committee, have approved the appointment of M/s Lodha & Company as the Statutory Auditors of the Company for a period of 5 years commencing from the conclusion of 34th AGM till the conclusion of the 39th AGM to be held in year 2027 as the Statutory Auditors in place of M/s. BAGARIA & Co., the retiring auditors.

M/s Lodha & Company, is one of the largest and most respected professional firm with over 80 years of an unblemished track record, ranked continuously among the top audit firms in India having National footprint (Kolkata, Mumbai, Delhi, Chennai, Hyderabad, Jaipur) with strong focus on high quality standards and integrity of work by dedicated team of approx. 350 and regularly Peer Reviewed (2009, 2014, 2018, & 2021).

M/s Lodha & Company, Chartered Accountants, vide their letter dated May 9, 2022 have consented for the appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. It was further confirmed by them that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014 and they have confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.

The remuneration payable to Lodha & Co, if appointed will be same as paid to M/s. BAGARIA & Co. for FY 2021-22 as per below details and the remuneration for the subsequent year(s) of their term shall be determined based on the recommendation of the Audit Committee and as mutually agreed between the Board of Directors of the Company and the Statutory Auditors.

Particulars	**(Amt.in Lakhs)**
Audit Fees (Standalone & Consolidated)	5.00
Limited Review Reports(Standalone & Consolidated)	3.00
Other Certification Services (APR/CGR/DPT)	1.20
Reimbursement of expenses (At Actuals), if any	-
Total	**9.20**

None of the Directors, Key Managerial Personnel of HOVS and their relatives are interested in the aforesaid resolutions, except to the extent of their shareholding, if any, in HOVS.

The Board recommends the resolution set forth in Item No. 3 for approval of the Shareholders'.

Item No. 4 Appointment/Re-appointment of Mr. Vikram Negi (DIN 01639441) as a Whole Time Director, of the Company for a further term of five years from September 1, 2022 till August 31, 2027

Mr. Vikram Negi was appointed as the Whole-time Director designated as Executive Director of the Company for a period of five years from September 1, 2017 until August 31, 2022. His term will get over on August 31, 2022. As required his re-appointment needs to be approved by the shareholders' of the Company in this annual general meeting.

The Nomination and Remuneration Committee in its meeting held on May 27, 2022 had recommended for his appointment. In the opinion of the Board of Directors Mr. Vikram Negi will bring immense value to the Board and the Company will be benefitted by his 22 plus years of invaluable expertise in successfully managing large deals, cross border teams; operational and financial processes and have strong background in M&A, Finance, Treasury and Operations and possess a broad range of interpersonal and advisory skills. Mr. Vikram Negi has given his consent and declared qualified for being appointed.

The Board of Directors of the Company at their meeting held on May 27, 2022 on the recommendations of the Nomination and Remuneration Committee, have approved the appointment/ re-appointment for a further term of five years from September 1, 2022 until August 22, 2027 and accordingly, pursuant to the provisions of Section 196 (2) of the Companies Act, 2013, his re-appointment requires the approval of the Shareholders.

Except Mr. Vikram Negi, Executive Director no other Directors or Key Managerial Personnel or their relatives are directly or indirectly, concerned or interested, financial or otherwise in the proposed resolutions.

None of the Directors, Key Managerial Personnel of HOVS and their relatives are interested in the aforesaid resolutions, except to the extent of their shareholding, if any, in HOVS.

The Board recommends the resolution set forth in Item No. 4 for approval of the Shareholders'.

Item No. 5 Contract of services for revenue of the Company with SourceHOV LLC & HOVG LLC, related party/s transactions in ordinary course of business of the Company

The Company (the "HOVS") in the ordinary course of business has been providing services of IT Support & Maintenance and Data Entry services to the SourceHOV LLC and HOVG LLC. Both are "related party" pursuant to the applicable provisions of Section 188 of the Companies Act, 2013 and Regulation 2(zb) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The total contract value for the year ended March 31, 2022 with SourceHOV was Rs. 8.45 Crore and with HOVG was Rs. 1.61 crore which is exceeding the limits of 10% of consolidated turnover of Rs 10.06 crore. Accordingly, both contracts are material related party transactions in accordance with Regulation 23 of Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and therefore, require approval of Shareholders of the Company. Accordingly, the Board of Directors of the Company at their meeting held on May 27, 2022 on the recommendations of the Audit Committee, have considered for the approval of the shareholders of the Company.

The particulars required pursuant to the Explanation (3) of Rule 15(1) of the Companies (Meetings of Board and its Powers) Rules, 2014 are as detailed below:

Sr. No.	Description	Particulars
1	Name of the related party	SourceHOV LLC & HOVG LLC
2	Name of Promoter/Director/ KMP who is related, if any	Parvinder S Chadha; Adesi 234 LLC; HOF 2 LLC are Promoters of the Company, also holds beneficial ownership of Exela Technologies Inc. Sunil Rajadhyaksha, Promoter Director of the Company. Surinder Rametra, Promoter Director; Stern Capital Partners LLC, Promoters of the Company. General Pacific LLC; Promoter Group entity. Vikram Negi, Chairman & Executive Director of the Company. Nilesh Bafna, Chief Financial Officer and Bhuvanesh Sharma, Company Secretary are KPMs of the Company.
3	Nature of relationship	SourceHOV LLC & HOVG LLC, are entity of Exela Technologies, Inc. HOV Services Limited holds investments in Exela Technologies, Inc.
4	Type, material terms, tenure, monetary value and particulars of the transaction/contract/arrangements	IT support & Maintenance services and Data entry services contract with SourceHOV LLC and Services for developing applications, networking, software support and contract for maintenance services with HOVG LLC. These services are billable services for revenue of value approx. Rs. 15 Crore per annum budgeted with both parties for FY 2022-23.
5	Justification of the proposed transaction beneficial to the Company	The Company have been providing the services on the cost plus mark-up and fixed fees basis and the contracts/transactions generates revenue in the ordinary course of business for the Company receivables in US$ every year.
6	Percentage of HOV Services Limited's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction	60.13 % of the consolidated turnover of the Company per annum.

Sr. No.	Description	Particulars
7	Details of the valuation report or external party report (if any) enclosed with the Notice	NA
8	Any other information relevant or important for the members to take a decision on the proposed resolution	All the contracts/arrangements and the transactions with "related parties" are reviewed and approved by the Audit Committee and the relevant information forming part of the statement setting out material facts which has been mentioned in the above para-graphs.
9	Following additional disclosures to be made in case loans, inter-corporate deposits, advances or investments made or given:	
A	Source of funds in connection with proposed transaction	NA
B	In case any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investment: • Nature of indebtedness • cost of funds and • tenure of the indebtedness	NA
C	Terms of the loan, inter-corporate deposits, advances or investment made or given (including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	NA
D	Purpose for which the funds will be utilised by the ultimate beneficiary of such funds pursuant to the RPT	NA

The Promoters/Promoter Group Entity/Promoter Directors/KPM of the Company, as mentioned above shall not vote to approve on the shareholder resolution in annual general meeting as it is a 'material related party transaction' as per the SEBI (LODR), 2015.

None of the directors, except as stated above, Key Managerial Personnel of HOVS and their relatives are interested in the aforesaid resolutions, except to the extent of their shareholding, if any, in HOVS.

The Board recommends the resolutions set forth in Item No. 5 for approval of the Members in the best interest of the Company.

Item No. 6 Contract of lease agreement of the Company Premises with Exela Technologies India Private Limited, a related party transaction.

The Company Premises bearing No. VAT 331 admeasuring 13,243.69 square feet or thereabouts, on the 3rd Floor of Tower No. 3 of the Building known as "International Infotech Park" (the "Premises") situate at

Vashi Railway Station Complex, Vashi, Navi Mumbai- 400705 was leased on rent to BancTec TPS India Private Limited (name changed to Exela Technologies India Private Limited ("the ETIPL")) vide Leave & License Agreement entered on October 25, 2012. The Company had taken shareholders' approval in 27th AGM held on July 22, 2015 for the said Leave & License Agreement, as being a related party transaction.

Over the lease periods, the Leave & License Agreement was duly renewed, in due course before end of five years lease period. It was last renewed in 2017 vide License Agreement dated March 15, 2017 whose term got over on October 31, 2021. In order to continue business operations, the Parties had intents to renew the Leave & License for further periods. However, the renewal of the said agreement ought to be renewed on October 31, 2021, could not be able to register due to the unprecedented pandemic circumstances.

The both Parties, for the purpose of their continued business operations requirement, the Premises was continued to used by the ETIPL and accordingly the Parties had entered into a Memorandum of Understanding (the "MOU") dated March 8, 2022 agreeing to register new leave & license agreement within 11 months from the date of MOU i.e. March 8, 2022 subject to required approvals. In accordance with the said MOU the monthly license fees of Rs 9,40,302/-(Nine Lakhs Forty Thousand Three Hundred and Two Only) per month was paid by ETIPL from November 1, 2021 to the Company and ETIPL will continue to pay the rent, until the registration of new leave & license agreement.

The Leave and License Agreement to enter into by the Company with ETIPL is a material related party transactions, therefore require Shareholders' approval by way of ordinary resolution in accordance with Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 188 the Companies Act, 2013. Accordingly, the Board of Directors of the Company at their meeting held on May 27, 2022, on the recommendations of the Audit Committee, have considered for the approval of the shareholders of the Company.

The particulars required pursuant to the Explanation (3) of Rule 15(1) of the Companies (Meetings of Board and its Powers) Rules, 2014 are as detailed below:

Sr. No.	Description	Particulars
1	Name of the related party	Exela Technologies India Private Limited
2	Name of Promoter/Director/ KMP who is related, if any	Parvinder S Chadha; Adesi 234 LLC; HOF 2 LLC are Promoters of the Company, also holds beneficial ownership of Exela Technologies Inc. Sunil Rajadhyaksha, Promoter Director of the Company and holds one share as a nominee shareholder of ETIPL. Surinder Rametra, Promoter Director; Stern Capital Partners LLC, Promoters of the Company. General Pacific LLC; Promoter Group entity. Vikram Negi, Chairman & Executive Director of the Company. Nilesh Bafna, Chief Financial Officer and Bhuvanesh Sharma, Company Secretary are KPMs of the Company.

Sr. No.	Description	Particulars
3	Nature of relationship	ETIPL, an entity of Exela Technologies, Inc. HOV Services Limited holds investments in Exela Technologies, Inc.
4	Type, material terms, tenure, monetary value and particulars of the transaction/ contract/arrangements	Leave & License for 5 years with monthly rent of Rs. 9,40,302/-per month, with 5% incremental in rent over end of each year.
5	Justification of the proposed transaction beneficial to the Company	The Leave & License agreement is for the rent receivable by the Company and is accounted as other income. Other terms standard as for the Leave & License.
6	Percentage of HOV Services Limited's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction	891.39% of the consolidated turnover of the Company per annum
7	Details of the valuation report or external party report (if any) enclosed with the Notice	NA
8	Any other information relevant or important for the members to take a decision on the proposed resolution	All RPTs are reviewed by the Audit Committee and the relevant information forming part of the statement setting out material facts which has been mentioned in the above paragraphs.
9	Following additional disclosures to be made in case loans, inter-corporate deposits, advances or investments made or given:	
A	Source of funds in connection with proposed transaction	NA
B	In case any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investment: • Nature of indebtedness • cost of funds and • tenure of the indebtedness	NA
C	Terms of the loan, inter-corporate deposits, advances or investment made or given (including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	NA
D	Purpose for which the funds will be utilised by the ultimate beneficiary of such funds pursuant to the RPT	NA

The Promoters/Promoter Group Entity/Promoter Directors/KPM of the Company, as mentioned above shall not vote to approve on the shareholder resolution in annual general meeting as it is a 'material related party transaction' as per the SEBI (LODR), 2015.

None of the directors, except as stated above, Key Managerial Personnel of HOVS and their relatives are interested in the aforesaid resolutions, except to the extent of their shareholding, if any, in HOVS.

The Board recommends the resolutions set forth in Item No. 6 for approval of the Members in the best interest of the Company.

Item No. 7 Sale of Company Premises to Exela Technologies India Private Limited, a related party transaction.

The Board of your Company considered to liquidate the investment in property for better opportunities for business growth of the Company. As per independent property valuation report dated July 20, 2021 from Ajinkya Raorane & Associates, a Government Registered Valuer the fair market value of property is Rs 19.86 Crore. The Audit Committee in its meeting held on November 13, 2021 had reviewed the proposal of sale of Property with recommendations to the Board to avail shareholders' approval. The Board in its meeting held on November 13, 2021 had approved the sale of the Property to prospective buyer/s for a sum not less than Rs. 19.86 Crore. The Company had given public advertisement in leading newspapers as required to sale the immovable Property. There was no third party buyer/s in pandemic environment.

The Board of Directors of the Company at their meeting held on May 27, 2022, on the recommendations of the Audit Committee, have considered the proposal to sale the property to Exela Technologies India Private Limited (ETIPL) subject to the approval of the shareholders of the Company. The fair value of the property was re-assessed and as per independent property valuation report dated April 27, 2022 a Government Registered Valuer there was no change in the fair market value of Rs 19.86 Crore.

As per Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the sale of the Property to ETIPL is a "material related party transaction" and therefore shall require approval of Shareholders of the Company. Accordingly, the shareholders' approval sought hereunder shall also be considered to be taken under applicable provisions of Section 188 of the Companies Act, 2013.

The particulars required pursuant to the Explanation (3) of Rule 15(1) of the Companies (Meetings of Board and its Powers) Rules, 2014 are as detailed below:

Sr. No.	Description	Particulars
1	Name of the related party	Exela Technologies India Private Limited
2	Name of Promoter/Director/ KMP who is related, if any	Parvinder S Chadha; Adesi 234 LLC; HOF 2 LLC are Promoters of the Company, also holds beneficial ownership of Exela Technologies Inc. Sunil Rajadhyaksha, Promoter Director of the Company and holds one share as a nominee shareholder of ETIPL. Surinder Rametra, Promoter Director; Stern Capital Partners LLC, Promoters of the Company. General Pacific LLC; Promoter Group entity. Vikram Negi, Chairman & Executive Director of the Company. Nilesh Bafna, Chief Financial Officer and Bhuvanesh Sharma, Company Secretary are KPMs of the Company.

Sr. No.	Description	Particulars
3	Nature of relationship	Exela Technologies India Private Limited, an entity of Exela Technologies, Inc. HOV Services Limited holds investments in Exela Technologies, Inc.
4	Type, material terms, tenure, monetary value and particulars of the transaction/contract/arrangements	Sale of 13,243.690 Sq. feet of area situated at VAT 331, 3rd Floor, Tower No.3, Vashi Infotech Park, Vashi, Navi Mumbai; Aggregate consideration of not less than Rs. 19.86 Crore.
5	Justification of the proposed beneficial to the Company	Liquidating the investment for better opportunities for business growth of the Company.
6	Percentage of HOV Services Limited's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction	50.64% of the consolidated turnover of the Company per annum.
7	Details of the valuation report or external party report (if any) enclosed with the Notice	Independent property valuation report dated April 27, 2022 from Ajinkya Raorane & Associates, a Government Registered Valuer to access the fair market value of property.
8	Any other information relevant or important for the members to take a decision on the proposed resolution	All RPTs are reviewed by the Audit Committee and the relevant information forming part of the statement setting out material facts which has been mentioned in the above paragraphs.
9	Following additional disclosures to be made in case loans, inter-corporate deposits, advances or investments made or given:	
A	Source of funds in connection with proposed transaction	NA
B	In case any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investment: • Nature of indebtedness • cost of funds and • tenure of the indebtedness	NA
C	Terms of the loan, inter-corporate deposits, advances or investment made or given (including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	NA
D	Purpose for which the funds will be utilised by the ultimate beneficiary of such funds pursuant to the RPT	NA

The Promoters/Promoter Group Entity/Promoter Directors/KPM of the Company, as mentioned above shall not vote to approve on the shareholder resolution in annual general meeting as it is a 'material related party transaction' as per the SEBI (LODR), 2015.

None of the directors, except as stated above, Key Managerial Personnel of HOVS and their relatives are interested in the aforesaid resolutions, except to the extent of their shareholding, if any, in HOVS.

The Board recommends the resolutions set forth in Item No. 7 for approval of the Members in the best interest of the Company.

Item No. 8 Repayment of advance by HOVS LLC to HGM Fund LLC, a related party transaction.

The Company's, wholly owned subsidiary HOVS LLC had taken advance from HGM Fund LLC repayable on demand and is required to repay outstanding advance amount of US$ 1.37 Million to HGM Fund LLC. In accordance with Regulation 23 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the repay of advance require shareholders' approval.

The Board of Directors of the Company at their meeting held on May 27, 2022, on the recommendations of the Audit Committee, have considered the repayment of outstanding advance amount of US$ 1.37 Million to HGM Fund LLC and as required seeks approval of shareholders of the Company.

The particulars required pursuant to the Explanation (3) of Rule 15(1) of the Companies (Meetings of Board and its Powers) Rules, 2014 are as detailed below:

Sr. No.	Description	Particulars
1	Name of the related party	HGM Fund LLC
2	Name of Promoter/Director/ KMP who is related, if any	Parvinder S Chadha; Promoter of the Company and holds CEO position in HGM. Sunil Rajadhyaksha, Promoter Director of the Company and is partner in HGM. Surinder Rametra, Promoter Director of the Company and is Partner in HGM. Vikram Negi, Executive Director of the Company and is Principal in HGM. Nilesh Bafna, Chief Financial Officer and Bhuvanesh Sharma, Company Secretary are KPMs of the HOVS.
3	Nature of relationship	HGM Fund LLC is an entity of Promoters of the Company.

Sr. No.	Description	Particulars
4	Type, material terms, tenure, monetary value and particulars of the transaction/contract/arrangements	Outstanding advance amount of US$ 1.37 Million (INR approx. 10.28 Crore, subject to exchange rate applicable at time of repayment) payable by HOVS LLC to HGM Fund LLC on its demand.
5	Justification of the proposed transaction beneficial to the Company	HOVS LLC had taken US$ 1.37 Million as advance from HGM Fund LLC for investment in shares of Exela Technologies Inc., repayable on demand. In books of HOVS LLC it is outstanding advance amount, required to repay on demand. Repayment of same will help in reducing the liabilities in the financial statement of HOVS LLC.
6	Percentage of HOV Services Limited's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction	97.84% of the consolidated turnover of the Company per annum.
7	Details of the valuation report or external party report (if any) enclosed with the Notice	NA
8	Any other information relevant or important for the members to take a decision on the proposed resolution	All RPTs are reviewed by the Audit Committee and the relevant information forming part of the statement setting out material facts which has been mentioned in the above paragraphs.
9	Following additional disclosures to be made in case loans, inter-corporate deposits, advances or investments made or given:	
A	Source of funds in connection with proposed transaction	NA
B	In case any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investment: • Nature of indebtedness • cost of funds and • tenure of the indebtedness	NA
C	Terms of the loan, inter-corporate deposits, advances or investment made or given (including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	NA
D	Purpose for which the funds will be utilised by the ultimate beneficiary of such funds pursuant to the RPT	NA

The Promoters/Promoter Group Entity/Promoter Directors/KPM of the Company, as mentioned above shall not vote to approve on the shareholder resolution in annual general meeting as it is a 'material related party transaction' as per the SEBI (LODR), 2015.

None of the directors, except as stated above, Key Managerial Personnel of HOVS and their relatives are interested in the aforesaid resolutions, except to the extent of their shareholding, if any, in HOVS.

The Board recommends the resolutions set forth in Item No. 8 for approval of the Members in the best interest of the Company.

By Order of the Board
For **HOV Services Limited**

Bhuvanesh Sharma
VP-Corporate Affairs &
Company Secretary &
Compliance Officer

Place: Pune
Date: May 27, 2022

Registered Office:
3rd Floor, Sharda Arcade,
Pune Satara Road, Bibwewadi,
Pune – 411037, Maharashtra
CIN: L72200PN1989PLC014448
Email: investor.relations@hovsltd.com
Website : www.hovsltd.com

ANNEXURE TO THE NOTICE OF 34th AGM

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

Profile of directors and additional information as required under Regulation 36 (3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standards-2 on General Meetings, for directors seeking appointment/ re-appointment are as below:

Name of the Director	**Mr. Vikram Negi**	**Mr. Surinder Rametra**
DIN	01639441	00019714
Date of Birth and Age	January 24, 1976; 46 years	November 01, 1940; 81 years
Date of first Appointment on the Board	February 13, 2017	January 3, 2006
Qualifications	MBA (Finance and IT) from Kogod School of Business,American University, Washington DC, USA and B. Com (Hons) from St. Xavier 's College, Kolkata, India	Mechanical Engineering from Punjab Engineering College, India; Master's degree in Industrial Engineering from the Indian Institute of Technology, India and an MBA in Finance from New York University.
Experience	+22 Years	+ 6 decades
Expertise	Expertise in successfully managing large deals, cross boarder teams and operational and financial processes and strong background in M&A, Finance, Treasury and Operations and possess a broad range of interpersonal and advisory skills	Finance, Corporate Governance, Global Business Leadership, Finance Treasury Management and business ethics.
Number of Meetings of the Board attended during the Year	4	2
Shareholding in Company	63,556	1,20,000
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	NIL	NIL
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid/last drawn	As per the Nomination and Remuneration Policy of the Company and as determined by Board of Directors of the Company. No remuneration drawn in previous year.	As per the Nomination and Remuneration Policy of the Company and as determined by Board of Directors of the Company. No remuneration drawn in previous year.

Name of the Director	Mr. Vikram Negi	Mr. Surinder Rametra
Public/Listed Companies Directorship	NIL	NIL
Private Companies Directorship	NIL	NIL
Membership/ Chairmanship of Committees	NIL	NIL

Brief profile of directors getting appointed/re-appointed:

1. Mr. Vikram Negi:

Expertise in successfully managing large deals, cross border teams and operational and financial processes and strong background in M&A, Finance, Treasury and Operations and possess a broad range of interpersonal and advisory skills.

Mr. Vikram Negi has 22 plus years of invaluable expertise in successfully managing large deals, cross border teams; operational and financial processes and have strong background in M&A, Finance, Treasury and Operations and possess a broad range of interpersonal and advisory skills.

Justification for re-appointment of Mr. Vikram Negi as Whole-time Director:-

Mr. Vikram Negi has been associated with the Company from the time of its IPO, since 2006 as in various leadership role and possessed hands full of 22+ years of industry experience and possess expertise in fields of Finance Treasury Management and M&A. The Management have full believe in his expertise and feel that he should continue working with the Company to help in its growth.

2. Mr. Surinder Rametra:

In 1983, Mr. Rametra founded Sun Computers and Software, Inc. and took the company public in 1994 under the name ATEC. He served as ATEC's Chairman and CEO until 2003. Mr. Rametra currently serves as an Executive Director of the HOV Services Limited.

Mr. Rametra' career encompasses leadership of private and public enterprises. He is also a founding member of Silver Oak Hospital in Chandigarh, India and Shanti Foundation, a charitable organizations devoted to health care and educational activities.

Mr. Rametra has a degree in Mechanical Engineering from Punjab Engineering College, India, a Master's degree in Industrial Engineering from the Indian Institute of Technology, India and an MBA in Finance from New York University. Mr. Rametra is married, has three children and is blessed with five grandchildren.

The statement containing additional information as required in schedule V of Companies Act, 2013:-

I. GENERAL INFORMATION:

(i) Nature of industry: IT & ITES

(ii) Date or expected date of commencement of commercial production: Not applicable.

(iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable.

(iv) **Financial performance based on given indicators:** The total revenue on standalone basis during the financial year 2021-22 stood Rs. 1005.81 Lakhs as compared to total revenue of Rs. 965.51

Lakhs for financial year 2020-21. The profit after tax (PAT) was Rs. (96393.52) Lakhs in FY 2021-22 as compared to PAT of Rs. 6250.13 Lakhs in FY 2020-21.

(v) **Foreign investments or collaborations:** The Company does not have any foreign collaborations. The composite foreign investment is 11.52 % in the Company as per shareholding pattern as of March 31, 2022.

II. INFORMATION ABOUT THE APPOINTEE:

(i) **Background details:** Mr. Vikram Negi has 22 plus years of invaluable expertise in successfully managing large deals, cross border teams; operational and financial processes and have strong background in M&A, Finance, Treasury and Operations and possess a broad range of interpersonal and advisory skills.

(ii) **Past remuneration:** No remuneration drawn in past tenure of his directorship as a Whole-time Director of the Company.

(iii) **Recognition or awards:** Not Applicable.

(iv) **Job profile and his suitability:** Mr. Vikram Negi has 22 plus years of varied experience of managing large deals, cross boarder teams and operational and financial processes and strong background in M&A, Finance, Treasury and Operations and possess a broad range of interpersonal and advisory skills. His involvement will bring immense value to the Board and Company. The Nomination and Remuneration Committee recommended for his re-appointment, subject to approval of Member(s).

(v) **Remuneration proposed:** The remuneration will be subject to the recommendation from Nomination & Remuneration Committee and will be decided by the Board, on terms and conditions as acceptable between the Board and Mr. Vikram Negi. The remuneration shall not exceed the limits specified under Schedule V of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force) or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.

(vi) **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):** Not Applicable.

(vii) **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:** Mr. Vikram Negi does not have any pecuniary relationship directly or indirectly with the Company or any relationship with the managerial personnel, except holding 63,556 equity shares in the Company.

III. OTHER INFORMATION / DISCLOSURES: The other information and disclosures as required is provided under Corporate Governance Report annexed to the Board's Report.

By Order of the Board
For **HOV Services Limited**

Bhuvanesh Sharma
VP-Corporate Affairs &
Company Secretary &
Compliance Officer

Place: Pune
Date: May 27, 2022

Registered Office:
3rd Floor, Sharda Arcade,
Pune Satara Road, Bibwewadi,
Pune – 411037, Maharashtra
CIN: L72200PN1989PLC014448
Email: investor.relations@hovsltd.com
Website : www.hovsltd.com

HOV SERVICES LIMITED

34th ANNUAL REPORT 2021-22

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HOVS request the shareholders to attend its 34th Annual General Meeting to be held on July 20, 2022 through online mode.

To ensure safety of its shareholders 34th AGM will be held in virtual mode in accordance with regulatory guidelines.

Shareholders are requested to follow the instructions in the Notice of 34th AGM to attend the meeting.

CORPORATE INFORMATION

Registered Office & Head office	3rd Floor, Sharda Arcade, Pune Satara Road, Bibwewadi, Pune - 411 037. Tel: (91 20) 24221460; Fax: (91 20) -24221470
Registrar & Share Transfer Agent	KFin Technologies Ltd., Selenium Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500032, Tel: (91 40)- 67161562
Statutory Auditors[1]	**Bagaria & Co LLP, Chartered Accountants,** 701, Stanford Building, A/o Mahindra Showroom, Junction of S.V. Road & Burfiwala Lane, Andheri (W), Mumbai 400058, Tel: (91 22)- 62505600
Secretarial Auditor	J. B. Bhave & Co., Company Secretaries, Flat No. 9, Karan Aniket, Plot No. 37, Shri Varanasi Co-op Soc. Ltd, Off Banglore Mumbai Bangalore Bypass, Behind Atul Nagar, Warje, Pune- 411058; Tel: (91 20)- 25204357/59
Internal Auditors	Arth & Associates, Chartered Accountants, Flat No. 102/103, Beena Apartments, Behind Chrysallis Institute, Opp. SBI Bank, S. B. Road, Pune- 411016
VP- Corporate Affairs & Company Secretary & Compliance Officer	Mr. Bhuvanesh Sharma investor.relations@hovsltd.com
Website	www.hovsltd.com

[1] Will get retire on conclusion of 34th AGM on July 20, 2022

THE BOARD OF DIRECTORS

Mr. Vikram Negi	**Chairman & Executive Director**
Mr. Surinder Rametra	**Executive Director & Promoter**
Mr. Sunil Rajadhyaksha	**Executive Director & Promoter**
Mr. Harjit Singh Anand	**Independent Director**
Mr. Ajay Puri	**Independent Director**
Mrs. Lakshmi Kumar	**Independent Director**

THE EXECUTIVE MANAGEMENT

Mr. Bhuvanesh Sharma	**VP-Corporate Affairs & Company Secretary & Compliance Officer**
Mr. Nilesh Bafna	**Chief Financial Officer**

COMMITTEES OF THE BOARD OF DIRECTORS

AUDIT COMMITTEE

Name	Designation/Category
Mr. Harjit Singh Anand	Chairman (Independent Director)
Mrs. Lakshmi Kumar	Member (Independent Director)
Mr. Ajay Puri	Member (Independent Director)
Mr. Surinder Rametra	Member (Executive Director)

NOMINATION & REMUNERATION COMMITTEE

Name	Designation/Category
Mrs. Lakshmi Kumar	Chairman (Independent Director)
Mr. Harjit Singh Anand	Member (Independent Director)
Mr. Ajay Puri	Member (Independent Director)
Mr. Vikram Negi	Member (Executive Director)

STAKEHOLDERS RELATIONSHIP COMMITTEE

Name	Designation/Category
Mr. Ajay Puri	Chairman (Independent Director)
Mr. Harjit Singh Anand	Member (Independent Director)
Mr. Sunil Rajadhyaksha	Member (Executive Director)

Chairman Message:

Dear Member,

I am pleased to welcome you to the 34th Annual General Meeting (AGM) of your Company, and share with you its 34th Annual Report for FY 2021-22. This AGM, similar to last year, is being held virtually due to the prevailing COVID-19 pandemic and our effort to keep our stakeholders safe as per government mandated social distancing norms.

This past year continues to be an eventful one.

As you are aware the ongoing restrictions due to COVID-19 continue to significantly affect the ability of many organizations to maintain normal day to day operations. Your Company was proactive in deploying technology to successfully implement Work from Home (WFH) and operate without any significant disruption.

With your support and trust, your Company also continues to be an investor in Exela Technologies, Inc. ("Exela"). Exela is a business process automation (BPA) leader, leveraging a global footprint and proprietary technology to provide digital transformation solutions enhancing quality, productivity, and end-user experience.

As we come out of the pandemic, your company will explore opportunities to further expand its service offerings in the digital and technology space.

Lastly, I express my sincere gratitude to all our stakeholders and the Company's Board of Directors, for their continued faith in our Company and its people. I would also like to thank our Authorities and Regulators for their continued support.

Best regards, and wishing you and your families a safe rest of the year.

Vik Negi

Chairman & Executive Director

Directors' Report

The Board of Directors present the 34th Annual Report of HOV Services Limited (the "Company" or "HOVS") along with audited Financial Statements for the financial year ended March 31, 2022.

FINANICAL RESULTS AND OPERATIONS:

Particulars	₹ in Lakhs			
	Consolidated Year Ended		Standalone Year Ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
INCOME				
Revenue from operations	1,005.81	965.51	1,005.81	965.51
Other income	134.33	154.24	134.33	96.28
Total Income	**1,140.14**	**1,119.75**	**1,140.14**	**1,061.79**
Expenses				
Employee Benefits Expense	626.35	581.15	626.35	581.15
Finance Costs	9.07	11.76	9.07	11.76
Depreciation and Amortisation Expense	62.30	62.37	62.30	62.37
Other Expenses	141.41	150.01	141.41	150.01
Total Expenses	**839.13**	**805.29**	**839.13**	**805.29**
Profit before exceptional items from continuing opeartions	**301.01**	**314.46**	**301.01**	**256.50**
Exceptional items: Reversal / (Provision) for Diminution in Value of Investment in subsidiary	-	-	(6,607.70)	6,068.66
Profit/(Loss) after exceptional items from continuing opeartions	**301.01**	**314.46**	**(6,306.69)**	**6,325.16**
Tax Expense :				
Current Tax	(82.80)	(71.00)	(82.80)	(71.00)
Deferred Tax	(4.03)	(2.62)	(4.03)	(2.62)
Relating to earliyer years	-	(1.41)	-	(1.41)
Profit/(Loss) after tax for the period from continuing opeartions	**214.18**	**239.43**	**(6,393.52)**	**6,250.13**
Discontinued Operations				
Profit/(Loss) from discontinued operations before tax	1.53	17.81	-	-
Tax expense of discontinued operations	(0.81)	-	-	-
Profit/(Loss) after tax from continuing & discontinued operations	**214.90**	**257.24**	**(6,393.52)**	**6,250.13**
Other Comprehensive Income / (Loss)				
Items that will not be reclassified subsequently to Profit or loss :				
Remeasurement of net defined benefit plans	(2.14)	3.28	(2.14)	3.28
Changes in fair value of FVOCI equity instruments	(7,667.51)	6,596.66	-	-
Tax impact of Items that will not be reclassified subsequently to Profit or loss	609.33	(591.16)	0.59	(0.91)
Total Other Comprehensive Income / (Loss)	**(7,060.32)**	**6,008.78**	**(1.55)**	**2.37**
Total Comprehensive Income / (Loss) For The Period	**(6,845.42)**	**6,266.02**	**(6,395.07)**	**6,252.50**

1. Results of Operations

For the financial year ended March 31, 2022 as follows:-

Consolidated Financial Performance:

- Consolidated total Income for the current year was ₹ 1,140.14 Lakhs.
- Profit/(Loss) from continuing operations was ₹ 214.18 Lakhs.
- Profit/(Loss) from discontinued operations was ₹ 0.72 Lakhs.
- Profit/(Loss) from continuing & discontinued operations was ₹ 214.90 Lakhs.
- Total Comprehensive Income/(Loss) for the current year was ₹ (6,845.42) Lakhs.
- The basic and diluted Earnings Per Share (EPS) for the current year from :

  Continued Operations was ₹ 1.70

  Discontinued Operations was ₹ 0.01

  Continued and Discontinued Operations was ₹ 1.71

Standalone Financial Performance:

- Total Income for the current year was ₹ 1,140.14 Lakhs.
- Provision for Diminution in Value of Investment in subsidiary provided under exceptional items was ₹ (6,607.70) Lakhs.
- Net Profit/ (Loss) for the current year was ₹ (6,393.52) Lakhs.
- Total Comprehensive Income/(Loss) for the current year was ₹ (6,395.07) Lakhs.
- The basic and diluted Earnings Per Share (EPS) for the current year from :

  Before exceptional item was ₹ 1.70

  After exceptional item was ₹ (50.78)

2. Appropriations

(i) ***Dividend***:

Keeping in view the performance of the Company during the year under review and also with a view to conserve resources to meet the business requirements, your Directors expresses their inability to recommend any dividend for the financial year 2021-22.

(ii) ***Transfer to Reserve:***

No amount was transferred to Reserve during the financial year ended on March 31, 2022.

3. Subsidiary companies

The Company has below subsidiaries as on March 31, 2022 and there has been no material change in these subsidiaries with respect to the nature and structure. Your Company has provided the audited Consolidated Financial Statements for the year ended March 31, 2022, together with Auditors' Report and a statement containing salient features of the financial statements of Company's subsidiaries (in Form AOC-1) is forming part of this Annual Report, which includes financial information of all the subsidiaries of the Company.

i) HOVS LLC incorporated in Delaware under the laws of Unites States of America;

ii) HOV Environment LLC incorporated in Nevada State under the laws of United States of America;

iii) HOVS Holdings Limited incorporated under the Companies Ordinance of Hong Kong; and

iv) HOV Environment Solutions Private Limited incorporated in Maharashtra under Indian Company Laws.

4. Policy on Material Subsidiaries

The Company's wholly owned subsidiary HOVS LLC is a material subsidiary in accordance with the thresholds laid down under the SEBI Listing Regulations 2015 as amended from time to time.

The Company had adopted the policy for determining material subsidiary pursuant to the SEBI (Listing Obligation and Disclosure Requirements) (Amendment) Regulations, 2018. The said policy has been displayed on the website of the Company at http://hovsltd.com/Policies_Disclosures.html

5. Investment

The Company's wholly owned subsidiary HOVS LLC holds 5,734,490 shares (representing 1.1% of Exela Technologies, Inc., NASDAQ listed) free from any encumbrances/lien and having fair value of Rs 1809.28 lakhs as on March 31, 2022. During the quarter and year ended March 31, 2022, fair value of investment has fallen below the carrying cost of investment and accordingly, provisions for diminution in its value is recognised in the standalone financial results.

The Board of your Company, with recommendations of the Audit Committee on April 26, 2022 had approved to exchange HOVS LLC common stock held in Exela Technologies Inc. ("Exela" NASDAQ listed), in Exchange Offer announced by Exela on April 18, 2022, wherein for each 20 shares of Common Stock tendered, stock holder of Exela will receive one share of Series B1 Preferred Stock with cumulative dividends at the rate of 6.00% per annum of the $25.00 liquidation preference per share of the Series B1 Preferred Stock to be listed on NASDAQ Capital Market. Accordingly, HOVS LLC tendered 5,712,120 shares of Common Stock and received 285,606 Series B1 Preferred Stock in the said Exchanges Offer.

6. ADR/GDR

The shareholder's in their Annual General Meeting dated July 21, 2007 granted approval for proposed 15,000,000 of ADR/GDR issue. However, so far none of the underlying equity shares were issued by the Company.

7. Share Capital of the Company

The paid up share capital of the Company as on March 31, 2021 has 12,588,972 equity shares of ₹10 aggregating to ₹ 125,889,720/-. During the year 6,000 equity shares were allotted pursuant to the HOVS ESOPL Plan 2007. Accordingly, the equity paid up share capital of the Company has gone up from equity shares 12,588,972 of Rs. 10 each aggregating to Rs. 125,889,720/- to equity shares 12,594,972 of Rs. 10/- each aggregating to Rs. 125,949,720/-.

8. Employee Stock Option Plan (ESOP)

Your Company instituted "HOVS Stock Option Plan 2007" for its employees and for employees of its subsidiary companies as detailed below:

Plan	Shareholder's Approval Date	No. of Options for employees of the Company	No. of Options for employees of subsidiary companies	Total
"HOVS Stock Option Plan 2007"	July 21, 2007	400,000	700,000	1,100,000

The information to be disclosed as per SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, is provided herewith as **"ANNEXURE- A"** to this report.

9. Conservation of Energy, Technology Absorption and Foreign Exchange

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 13 (3) (m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is provided herewith as **"ANNEXURE- B"** to this report.

10. Human Resources

The Human Resource department of the Company follows the philosophy to maintain cordial relations with all its employees and the Company value its human resources and takes utmost care of its employees deployed. It encourages all employees to strike a perfect work life balance. During the reported financial year the Company had maintained constant communication to the employees in work from home during lockdown environment and there was no complaint received to the Committee constituted under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal Act, 2013) and the Rules made thereunder for prevention and redressal of complaints of sexual harassment at workplace.

11. Particular of Employees and Related Disclosures

During the year under review there was no employee/s who received remuneration in excess of limits prescribed Under Section 197 of the Companies Act, 2013 read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014. The disclosure required in terms of provisions of Section 197 (12) of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided herewith as **"ANNEXURE- C"** to this report.

12. Directors Responsibility Statement

The Directors Responsibility Statement in terms of Section 134(5) of the Companies Act, 2013 is provided herewith as **"ANNEXURE- D"** to this report.

13. Financial Summary and Highlights

The Company's current financial summary and highlights are presented under the Management Discussion and Analysis Report part of the Annual Report.

14. Meetings of the Board

During the financial year 4 (Four) Board Meetings were held. The details of meetings of Board of Directors are provided in the Report on Corporate Governance that forms a part of this Annual Report. The maximum interval between any two meetings did not exceed 120 days as prescribed under the Companies Act, 2013 and as per relaxation provided thereunder in lockdown situations. Other provisions related to Board and its Committees are stated in the Corporate Governance Report forming part of this Annual Report.

15. Directors and Key Managerial Personnel

Mr. Surinder Rametra, Executive Director is liable to retire by rotation at the 34th Annual General Meeting. Mr. Surinder has confirmed his eligibility and willingness for re-appointment.

Mrs. Lakshmi Kumar, Independent Director completed her first term as a women independent director on July 21, 2020. The shareholders' in their 32nd Annual General Meeting held on September 22, 2020 further appointed her for 2nd term of five years period from July 22, 2020 until July 21, 2025 as an Independent Director.

Mr. Surinder Rametra, Executive Director whose existing term of five years, as Whole Time Director was getting complete on March 31, 2021. As required, the shareholders' in its 32nd Annual General Meeting held on 22nd September 2020 had passed the special resolution for his appointment as Whole Time Director for further period of 5 years with effect from April 1, 2021 to March 31, 2026.

Mr. Sunil Rajadhyaksha, Executive Director existing term of Whole Time Director got over on March 31, 2021. The shareholders' in their 32nd Annual General Meeting held on September 22, 2020 appointed him as a Whole-time Director, with the designation as Executive Director of the Company, for a further term of five years period commencing from April 1, 2021 till March 31, 2026. The Central Government approval for appointment of Mr. Sunil Vasant Rajadhyaksha as Whole Time Director for his term from April 1, 2021 till March 31, 2026 is duly obtained by the Company.

Mr. Ajay Puri, with recommendations of Nomination and Remuneration Committee, was appointed as an Additional Director effective July 26, 2021 by the Board of Directors. Mr. Ajay was appointed as an Independent Director of the Company for his 1st term of five years period from September 22, 2021 up to September 21, 2026 in 33rd Annual General Meeting held on Sept 22, 2021.

Mr. Vikram Negi was appointed as the Whole-time Director designated as Executive Director of the Company for a period of five years from September 1, 2017 until August 31, 2022. His term will get over on August 31, 2022. The Board of Directors with recommendations of the Nomination and Remuneration Committee, recommend the appointment of Mr. Vikram Negi a further term of five years from September 1, 2022 until August 22, 2027 subject to the shareholders in ensuing 34th Annual General Meeting.

Key Managerial Personnel

In accordance with the provisions of Section 203 of the Act, Mr. Vikram Negi, Whole-time Director; Mr. Surinder Rametra, Whole-time Director; Mr. Sunil Rajadhyaksha, Whole-time Director; Mr. Nilesh Bafna, Chief Financial Officer; and Mr. Bhuvanesh Sharma, Company Secretary are the Key Managerial Personnel of the Company as on March 31, 2022. There is no change in Company Secretary and Chief Financial Officer of the Company during the year.

16. Declarations from Independent Directors

The independent directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. There has been no change in the circumstances affecting their status as independent directors of the Company.

17. Meeting of Independent Directors

Independent Directors of the Company met on February 11, 2022 to review the performance of non-independent directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors. The Independent Director's also assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to function effectively.

18. Familiarisation Programme

The Management of the Company, as and when required keeps updating to the entire Board including Independent Directors on the Company's operations and were also briefed regularly and or quarterly basis the changes in applicable statutes and regulations. The Board members are provided with necessary documents/ brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices.

The familiarisation programme was arranged by the Company during the year on February 11, 2022 for its Independent Directors with regard to their roles, rights, responsibilities with the Company. The details of the familiarisation program was disclosed under Investor Relations section of the Company's website www.hovsltd.com.

19. Internal Financial Controls

The Company has adequate procedures for ensuring the internal financial controls and the same are in place with reference to financial statements. The internal audit function monitors the adequacy and effectiveness of internal controls and provides assurance of the adequacy and effectiveness of the internal controls to the Audit Committee and the Board of Directors. The Management of the Company review the internal control system with periodic overview by the Audit Committee. The internal financial controls are tested by Internal Auditors of the Company and no reportable material weaknesses were observed therein for the reportable year.

20. Related Party Transactions

All transaction entered into by the Company with related parties are at arm's length and are in the ordinary course of business. All Related Party Transactions are being placed before the Audit Committee for approval. Omnibus approvals are also obtained for transactions which are of repetitive nature. Such transactions are placed before the Audit Committee and Board (as required) for periodical review and approval.

The information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are provided herewith as **"ANNEXURE- E"** to this report. The disclosure of Related Party Transactions as per Ind AS 24 with related parties have been provided in Notes to the Standalone & Consolidated Financial Statements respectively, forming part of this Annual Report.

The policy on Related Party Transactions as updated by the Board keeping in view of SEBI (Listing Obligations and Disclosure) Regulations, 2015, has been displayed on the Company's website at:

http://www.hovsltd.com/docs/Policies/2022/HOVS%20RPTs%20Policy-April%202022.pdf

21. Corporate Governance Report

The Company adheres to Corporate Governance guidelines to fulfil its responsibilities to all its stakeholders i.e. investors, customers, vendors, government, employees. Company believes that good corporate governance enhances accountability and increases shareholder value. The report on Corporate Governance is annexed as the part of the Director's report.

22. Management Discussion and Analysis

Management Discussion and Analysis Report for the year under review, as stipulated under Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented as a separate section forming part of the Director's report.

23. Code of Conduct for Board and Senior Management

The Company has adopted Code of Conduct for the Directors and Senior Management and the Code is available on the Company's website http://hovsltd.com/code_of_conduct.html. All Directors and Senior Management personnel have affirmed their compliance with the said Code. A declaration signed by the Whole-time Director to this effect is annexed as part of the Director's Report.

24. Auditors and Auditors' Report

Statutory Auditors:

M/s BAGARIA & Co., Chartered Accountants were appointed as Statutory Auditors for a period of 5 years, in 29th Annual General Meeting held on September 1, 2017 till the conclusion of the 34th AGM to be held in year 2022. Accordingly, M/s. BAGARIA & Co. shall retire at the conclusion of 34th AGM of year 2022.

The Board of Directors with recommendations of the Audit Committee, recommend to the shareholders for appointment of M/s Lodha & Company, Chartered Accountants as Statutory Auditors of the Company for a period of five years commencing from the conclusion of ensuing 34th Annual General Meeting till the conclusion of 39th annual general meeting to be held in year 2027. Accordingly, the resolution is being proposed for appointment of new statutory auditors at the ensuing AGM.

The Statutory Auditors' Report of M/s BAGARIA & Co., Chartered Accountants for FY 2021-22 does not contain any qualification, reservation or adverse remark. The Statutory Auditors of the Company have given their Unmodified Opinion(s) on the Audited Standalone Financial Results for the 4th Quarter and Year ended March 31, 2022 and on the Audited Consolidated Financial Results of the Company for financial Year ended March 31, 2022.

Secretarial Audit Report:

M/s. J B Bhave & Co., Practicing Company Secretaries, Pune were appointed to conduct secretarial audit for the year and the Secretarial Audit Report for FY 2021-22 is annexed herewith as **"ANNEXURE-F"** to this report. The Secretarial Auditors' Report for does not contain any qualification, reservation or adverse remark.

During the year under review, there were no instances of frauds committed in the Company by its officers or employees, which requires reporting by the Statutory Auditors and the Secretarial Auditor.

Annual Secretarial Compliance Report:

Pursuant to requirements of Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 the Secretarial Auditors of the Company were engaged to issue the Annual Secretarial Compliance Report for year ended March 31, 2022.

No Disqualification certificate from the Company Secretary in Practice:

None of the directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI Board/MCA or any such statutory authority. The Company has complied with the requirement in terms of Schedule V Part C of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, of taking a certificate to that effect from the Secretarial Auditor of the Company.

25. Extract of Annual Return

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the Annual Return of the Company as on March 31, 2022 is available on the Company's website and can be accessed at http://www.hovsltd.com/docs/ir/Quarterly/2021-22/MGT7%202022.pdf

26. Board Evaluation

The Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") stipulate the evaluation of the performance of the Board, its Committees, Individual Directors and the Chairperson. The performance evaluation has been carried out on directors individually, working of the Committees and Board's performance.

Independent Directors met separately to evaluate the Non-Independent Directors and Chairman of the Board. The performance evaluation of Board, its Committees, Independent Directors, Non-independent directors and including Chairman of the Board was carried out during the year considering parameters as set by the members of the Board. The evaluation of the independent directors by all board members was carried out based on the criteria of efforts undertaken by them, brings independent view point in discussion and awareness of their roles and responsibilities.

The evaluation of Chairperson was carried out by independent directors on criteria of leadership, promotes participation among all members and ability to manage conflicting situations positively.

The evaluation of the Board and its Committees was carried out through a structured evaluation process covering various aspects of the Boards functioning and having well defined Committees and each Committee having co-operative working environment with the Board.

27. Policy on directors and senior management appointment and remuneration

The Board of Directors has framed the Nomination and Remuneration Policy which lays down the framework in relation to remuneration to Directors, Key Managerial Personnel and Senior Management of the Company. The Policy lays down criteria for selection and appointment of Board Member and also sets the criteria for selection of candidates eligible to be appointed in the senior management and other employees of the Company and also member on the Board of Directors and the Executive

Directors of the Company. The nomination and remuneration policy is provided herewith as "**Annexure-G**" to this report. The said policy is also available on the Company's website http://www.hovsltd.com/docs/Policies/2019/Nomination%20&%20Remuneration%20Policy.pdf

28. Risk Management

The Board of Directors of the Company overview the implementation and monitor the risk management for the Company with Audit Committee having additional oversight in the area of financial risks and controls. The major risks identified by the businesses and function are addressed through mitigating actions on a continuing basis. The details of risk management has been covered in the Management Discussion and Analysis and Notes to the Financial Statements, which forms part of this report.

29. Committees of the Board

The details pertaining to all the committees of the Board are disclosed in section of the Corporate Governance Report which is part of this Board Report.

30. Particulars of Loans, Advances and Investments

The particulars as required pursuant to Section 186 (4) of the Companies Act, 2013, read with Companies (Meetings of Board and its Powers) Rules, 2014 and pursuant to Regulation 34(3) and Schedule V Part A of SEBI LODR, 2015, are mentioned in the Notes to Account to the Financial Statements of the Annual Report. The particulars of loans, guarantees and investments as per Section 186 of the Act by the Company, have been disclosed in the financial statements.

31. Secretarial Standards

The proper systems are in place to ensure compliance with applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

32. Whistle Blower Policy

The Company has a Vigil Mechanism/Whistle Blower Policy, in order to establish a mechanism for directors and employees to report genuine concerns or grievances about unethical behaviour, actual or suspected frauds or violation of the Company's Code of Conduct. The Policy provides for a mechanism to report such concerns to the Audit Committee through specified channels. This mechanism provides safeguards against victimisation of employees, who report under the said mechanism. During the year under review, the Company has not received any complaints under the said mechanism. The Whistle Blower Policy of the Company is available on the Company's website. The details of the policy have been disclosed in the Corporate Governance Report, which is a part of this report.

33. Reconciliation of Share Capital Audit

The reconciliation of equity share capital is carried out on quarterly basis by an independent external auditor with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The external Auditor's Certificate in regard to the same is submitted to BSE Limited and National Stock Exchange of India Limited and is also placed before Stakeholders' Relationship Committee and the Board of Directors of the Company.

34. General

a) The statement relating to risk management policy and identification of risk elements are covered under Management Discussion Analysis Report as annexed with this Report.

b) There are no adverse material changes or commitments occurred after March 31, 2022 which may affect the financial position of the Company or may require disclosure.

c) On following points no reporting or disclosure is required as there were no transactions on these items during the financial year under review:

(i) There were no loans, guarantees and investments made;

(ii) Details relating to deposits covered under Chapter V of the Companies Act, 2013;

(iii) No significant and material orders passed by the regulators or courts or tribunals which impacted the going concern status and operation of the Company;

(iv) Issue of equity shares with differential rights as to dividend, voting or otherwise;

(v) Issue of sweat equity shares; and

(vi) None of the whole-time directors of the Company received any remuneration or commission from the subsidiaries of the Company.

35. Acknowledgement

Your Directors would like to place on record their thanks to the Government of India, Government of Maharashtra, Reserve Bank of India, Software Technology Parks of India, Registrar of Companies, Pune, other local governmental bodies, the National Stock Exchange, the Bombay Stock Exchange, Bankers of the Company and Shareholders during the financial year.

Your Directors would also express their appreciation for the efforts made by employees at all levels for their hard work, co-operation and support extended to your Company during the year and acknowledge their support in continued COVID-19 pandemic circumstances.

For and on behalf of the Board of Directors

Vikram Negi
Chairman & Executive Director
(DIN: 01639441)
Date: May 27, 2022

DECLARATION REGARDING CODE OF CONDUCT

We hereby confirmed that for the financial year ended March 31, 2022, the Directors and Senior Management Personnel have complied with the Code of Conduct of the Company as applicable to them.

Vikram Negi
Chairman & Executive Director
(DIN: 01639441)

FINANCIAL STATEMENTS CERTIFICATIONS

We the undersigned, in our respective capacities to the best of our knowledge and belief, certify that:

a) We have reviewed financial statements and the cash flow statement of the Company for the financial year ended on March 31, 2022 and that:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the Auditors and the Audit Committee that;

   i. there was no changes in internal control over financial reporting during the year;

   ii. there was no significant changes in accounting policies during the year required to be disclosed in the notes to the financial statements; and

   iii. there was no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For HOV Services Limited

Nilesh Bafna
Chief Financial Officer

Vikram Negi
Chairman & Executive Director
(DIN: 01639441)

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF
HOV SERVICES LIMITED

We have examined the compliance of conditions of corporate governance by **HOV Services Limited** ('the Company') for the year ended March 31, 2022 as stipulated in Regulations 17-27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility for compliance with the conditions of Listing Regulations

The compliance of the conditions contained in the corporate governance is the responsibility of the Management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations of the Company including the preparation and maintenance of all relevant supporting records and documents.

Auditor's Responsibility

Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), Standards on auditing specified under Section 143(10) of the Companies Act, 2013 and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

Based on the procedures performed by us and to the best of our information and according to explanations given to us and representation made by the Management, in our opinion, we certify that the Company has complied, in all material respects, with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations during the year ended March 31, 2022.

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.

Restriction on Use

The certificate is addressed to and provided to the Members of the Company solely for the purpose to enable the Company to comply with requirement of aforesaid Regulations, and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **Bagaria and Co. LLP**
FRN. - **113447W/W-100019**
Chartered Accountants

Vinay Somani
Partner
Membership No. 143503
UDIN: 22143503AJRYIY2249

Place: Mumbai
Date: May 27, 2022

ANNEXURE TO THE DIRECTORS' REPORT

Management Discussion and Analysis Report

HOV Services Limited ("HOVS" or the "Company") operates as a hybrid between an investment and a diversified services company. The Company's business encompasses majority of Software and IT Enabled Services and the prevailing trend would further enforce the importance of outsourcing, as companies will be compelled towards curtailing cost without sacrificing on quality. Outsourcing been a tried and tested model, entities would outsource their work to improve productivity by allocating more time in improving their core competencies.

During the year FY 2021-22 the Covid-19 pandemic continued disruption in supply chain and impacted business. The various strain like Omicron and Delta posed further challenges on customers and our employees and their family. The situation was closely monitored keeping the guidelines issued by the various authorities. Our team has been in constant communication with customers and employees keeping the physical safety on priority. The Management is keeping close vigil and being optimistic to review all business opportunities.

The Management expects in coming year the demand environment of service provider will remain in pressure given the watchful approach of global clients, and optimization will be a strong focus for organization looking to extract more value from their sourcing partners.

Financial Performance

The following discussion and analysis on financial performance of the Company for the year under reporting is based on the audited financial statements prepared in accordance with Ind-AS.

Sr. No.	Particulars	On Standalone basis	On Consolidated basis
1	**Property, Plant and Equipment**	Net carrying amount as at March 31, 2022 stood at ₹ 11.16 lakhs as compared to ₹ 20.75 lakhs as at March 31, 2021.	Net carrying amount as at March 31, 2022 stood at ₹ 11.16 lakhs as compared to ₹ 20.75 lakhs as at March 31, 2021.
2	**Intangible Assets**	Net carrying amount as at March 31, 2022 stood at ₹ 0.18 lakhs as compared to ₹ 0.35 lakhs as at March 31, 2021.	Net carrying amount as at March 31, 2022 stood at ₹ 0.18 lakhs as compared to ₹ 0.35 lakhs as at March 31, 2021.
3	**Investments in subsidiaries and Other investments**	Investment in subsidiaries stood at ₹ 0.07 lakhs for the year March 31, 2022 as compared to ₹ 6,607.77 Lakhs as at March 31, 2021.	Fair value of other investment as on March 31, 2022 is ₹ 1,809.28 lakhs compared to March 31, 2021 is ₹ 9,188.96 Lakhs.
4	**Trades Receivables**	Net Receivables as at March 31, 2022 amounted to 518.84 lakhs as compared to ₹ 494.97 lakhs as at end of previous year on March 31, 2021. Trade receivables as a percentage of revenue from operations is 51.6% as at March 31, 2022 as against 51% as at March 31, 2021.	Net Receivables as at March 31, 2022 amounted to 518.84 lakhs as compared to ₹ 494.97 lakhs as at end of previous year on March 31, 2021. Trade receivables as a percentage of revenue from operations is 51.6% as at March 31, 2022 as against 51% as at March 31, 2021.

Sr. No.	Particulars	On Standalone basis	On Consolidated basis
5	**Cash and cash equivalents**	Cash and cash equivalents stood at ₹ 107.68 lakhs as on March 31, 2022 compared to ₹ 210.43 Lakhs as on March 31, 2021 which is less than ₹ (102.75) lakhs compare to last year.	Cash and cash equivalents stood at ₹ 133.81 lakhs as on March 31, 2022 compared to 234.36 Lakhs as on March 31, 2021 which is more than ₹ (100.55) lakhs compare to last year.
6	**Total Current Assets**	As at March 31, 2022 total current assets amounted to ₹ 851.46 lakhs as compared to ₹ 1,074.26 lakhs as at March 31, 2021.	As at March 31, 2022 total current assets amounted to ₹ 1,045.55 lakhs as compared to ₹ 1,271.43 lakhs as at March 31, 2021.
7	**Total Equity**	Total equity stood at ₹ 2,048.22 lakhs as at March 31, 2022 as compared to ₹ 8,441.76 lakhs as at March 31, 2021.	Total equity stood at ₹ 2,995.10 lakhs as at March 31, 2022 as compared to ₹ 9,593.74 lakhs as at March 31, 2021.
8	**Equity share capital & Securities premium reserve:**	During the year, Share Capital and Securities Premium were ₹ 1259.50 lakhs and ₹ 6,262.82 lakhs respectively.	During the year, Share Capital and Securities Premium were ₹ 1259.50 lakhs and ₹ 6,262.82 lakhs respectively.
9	**Retained earnings**	Retained earnings as at March 31, 2022 amounting to ₹ (5680.21) lakhs.	Retained earnings as at March 31, 2022 amounting to ₹ 952.18 lakhs.
10	**General Reserves**	During the year there is no change in amount of general reserve from the previous year ended on March 31, 2021 which was ₹ 195.41 lakhs.	General Reserves stood at ₹ 195.41 Lakhs as on March 31, 2022 which is same as per last year ended on March 31, 2021.
11	**Capital Redemption Reserve**	During the year there is no change in CRR amount of ₹ 6.30 lakhs which was created on account of buy-back of equity share capital in year 2009.	During the year there is no change in CRR amount of ₹ 6.30 lakhs which was created on account of buy-back of equity share capital in year 2009.
12	**Other Equity - Total Other comprehensive income**	Other comprehensive income stood at ₹ 4.40 lakhs for the current year compared to ₹ 5.95 lakhs last year.	Other comprehensive income stood at ₹ (5753.87) lakhs for the current year compared to ₹ 1,260.22 lakhs last year.
13	**Trades payables**	Trade payables stood at ₹ 67.47 lakhs current year compared to ₹ 67.30 lakhs last year ended on March 31, 2021.	Trade payables stood at ₹ 68.32 lakhs current year compared to ₹ 71.64 lakhs last year ended on March 31, 2021.
14	**Total Current Liabilities**	As at March 31, 2022 current liabilities amount to ₹ 155.99 lakhs as compared to ₹ 170.10 lakhs as at March 31, 2021.	As at March 31, 2022 current liabilities amount to ₹ 1,225.79 lakhs as compared to ₹ 1,210.79 lakhs as at March 31, 2021.
15	**Revenue from Operations**	For the year ended March 31, 2022, Revenue from Operations was ₹ 1005.81 lakhs against ₹ 965.51 lakhs as at March 31, 2021.	For the year ended March 31, 2022, Revenue from Operations was ₹ 1005.81 lakhs against ₹ 965.51 lakhs as at March 31, 2021.
16	**Operating Profit from continuing operations**	Reported Profit/ (Loss) before exceptional items and tax is of ₹ 301.01 lakhs for the year ended March 31, 2022 against ₹ 256.50 lakhs as at March 31, 2021.	Reported Profit/ (Loss before exceptional items and tax is of ₹ 301.01 Lakhs for the year ended March 31, 2022 against ₹ 314.46 lakhs as at March 31, 2021.
17	**Exceptional items**	Exceptional expenses stood at ₹ (6607.70) Lakhs for the year March 31, 2022 compared to Rs 6,068.66 Lakhs for previous year ended on March 31, 2021.	Exceptional expenses stood at ₹ Nil for the year March 31, 2022 compared to Rs Nil for previous year ended on March 31, 2021.

Sr. No.	Particulars	On Standalone basis	On Consolidated basis
18	**Profit/(Loss) discountinuing from operations**	Profit/(Loss) from discountinued operations is ₹ Nil.	Profit from discountinued operations is ₹ 0.72 Lakhs for the current year on March 31, 2022 compared to Profit of ₹ 17.81 Lakhs for previous year ended on March 31, 2021.
19	**Net Profit/ (Loss) for the year**	Recorded a net loss of ₹ (6393.52) lakhs for the current year ended on March 31, 2022 as against previous year net profit of ₹ 6250.13 lakhs as at March 31, 2021.	On consolidated basis recorded a net profit of ₹ 214.18 lakhs for the current year ended on March 31, 2022 as against previous year profit of ₹ 239.43 lakhs as at March 31, 2021.
20	**Total Comprehensive Income/(Loss)**	Recorded a total comprehensive loss of ₹ (6395.07) lakhs for the year ended March 31, 2022 as against the profit of Rs 6,252.50 lakhs for the year ended on March 31, 2021.	Recorded a total comprehensive loss of ₹ (6845.42) lakhs for the year ended March 31, 2022 as against the profit of Rs 6266.02 lakhs for the year ended on March 31, 2021.

Revenues – standalone

Total revenue in current year on standalone basis increased to ₹ 1,140.14 Lakhs from ₹ 1,061.79 Lakhs in the previous year. Software export revenues aggregated to ₹ 1,005.81 Lakhs in current year from ₹ 965.51 Lakhs in the previous year.

Revenues – consolidated

Total revenue in current year on a consolidated basis Increased to ₹ 1,140.14 Lakhs from ₹ 1,119.75 Lakhs in the previous year. Total Income from operations aggregated to ₹ 1,005.81 Lakhs, from ₹ 965.51 Lakhs in the previous year.

Profits – standalone

- Employee Benefit Expenses were at ₹ 626.35 Lakhs for year ended March 31, 2022 and were at ₹ 581.15 Lakhs for the year ended March 31, 2021.
- Other expenses were at ₹ 141.41 Lakhs for year ended March 31, 2022 and were at ₹ 150.01 Lakhs for the year ended March 31, 2021.
- Profit before exceptional items ₹ 301.01 Lakhs for the year ended March 31, 2022 and were at ₹ 256.50 lakhs for the year ended March 31,2021
- Provision for Diminution in value of Investment in subsidiary provided under exceptional items was ₹ (6,607.70) Lakhs compared to ₹ 6,068.66 lakhs for the previous year.
- The Loss for the year was ₹ (6,393.52) Lakhs, as against Profit of ₹ 6,250.13 Lakhs in the previous year.
- Total Comprehensive Loss for the year ₹ (6,395.07) Lakhs as against total Comprehensive Income ₹ 6250.50 Lakhs in the previous year.

Profits – consolidated

- Employee Benefit Expenses were at ₹ 626.35 Lakhs for year ended March 31, 2022 and were at ₹ 581.15 Lakhs for the year ended March 31, 2021.
- Other expenses were at ₹ 141.41 Lakhs for year ended March 31, 2022 and were at ₹ 150.01 Lakhs for the year ended March 31, 2021.
- The Profit/(Loss) from discontinued operations ₹ 0.72 Lakhs for the year ended March 31, 2022 and were at ₹ 17.81 Lakhs for the year ended March 31, 2021
- The Profit from continuing & discontinued operations ₹ 214.90 Lakhs, as against Profit of ₹ 257.24 Lakhs in the previous year.
- Total Comprehensive Loss for the year ₹ (6,845.42) Lakhs as against total comprehensive Profit of ₹ 6,266.02 Lakhs in the previous year.

Human Resources & Prevention of Sexual Harassment

The Internal Complaints Committee has been constituted pursuant to the Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for protection against sexual harassment of women at work place. During the year there were no complaints of such manner. During the year the Company maintained cordial relationship with the employees at all levels and provides and an environment free of sexual harassment and discrimination on the basis of gender. Human Resource being an important asset play a vital role for organisation competitive advantage and performance, influenced by effective HR practices and value system. The HR department during the year was in constant connect with employees to boost their morale under work from home circumstances. The continuous learning and talent development programs for the workforce provide diverse work environment.

Internal Control Systems and their adequacy

The Company's management is responsible for establishing and maintaining internal controls. The management has established adequate internal control systems with checks and balances observed at all levels, covering not only, financial transactions but other department functions as well. The Company's Internal Control framework is commensurate with the size and the nature of its operations. The internal control framework is essentially based on various policies, procedures and process of different functional departments of the Company to achieve efficiency and effectiveness in operations and compliance with laws and regulations.

The Company has appointed reputed firms of Chartered Accountants to carry out internal audits. The audit is based on focused and risk based internal audit plan, which is reviewed each year after consulting the Audit Committee. The conduct of internal audit is aimed towards the review of internal controls and risks, accounting and finance, and human resources, and as per scope decided by the Audit Committee. The Internal Auditor periodically do testing of the internal controls and monitors the effectiveness of internal controls and provide assurance of the adequacy and effectiveness of the internal controls to the Audit Committee and Board of Directors.

Risks and its mitigation

The Company has an appropriate risk management framework comprising risk governance structure and defined risk management processes. The risk management is a mechanism to identify risk, if any to business of the Company, which in the opinion of the Management need mitigation. The Audit Committee has oversight in the area of financial risks and controls. The Management has identified the following key risks considering the operations relating to the businesses of the Company and continuously monitor and review to mitigate the key risks in manner stated herein below:-

a) **Covid-19 Pandemic risk:** - On account of nationwide lockdown imposed by Government of India from March 25, 2020 and further partial lockdown imposed during the FY 2021-22 there were interruption in logistics and ability to maintain normal operation of the Company. The business operations got impacted on account of lockdown measures implemented by local and central government authorities to implement social distancing norms and to prevent spread of Covid-19 Pandemic. Reduced productivity due to employees' emotional stress under lockdown and inability to provide desktops/system to employees due to security or logistic reasons and vendors' inability to provide their services on account of similar situation at their end. The demand-supply across all segments all over the worlds' economies got disrupted and might affect Company's earning in medium term. The overall impact of CoVID-19 on the businesses of the Company may vary depending on future conditions and socio-economic factors and measures taken at the Government levels and hence cannot be predicted at this time of juncture.

   The Management of the Company took quick measures and actions for safeguarding the workforce by providing laptops/desktops infrastructure enabling them to work from home. The HR department provided continuous support, through online system, to employees to address Covid-19 related issue and provided guidance for appropriate social distancing measures and advisories on work from home to service the business requirement and had kept morale of employees positive during these COVID situations.

The Company's customer are mostly long term costumers and therefore does not foresee any immediate impact on the revenues, however depending upon the uncertainties associated with Covid-19 the Management monitors its impact on continuous basis.

b) **Business model related risk:** - The revenue of the Company is based on cost plus mark up for contracts with customers. The wage cost is major risks which may not be acceptable to customers due to change in minimum wages requirements. This could expose the Company to risks like price pressure, excessive dependency on select customers. In order to mitigate the risk, Management of the Company in continues endeavour keep appraised its customers about any change in cost factors well in advance.

c) **Foreign currency fluctuation risk:** - A substantial part of Revenue accrues in US Dollars and expenditure of the Company are incurred in the Indian Rupees. Therefore, there is risk exposure due to adverse fluctuation of exchange rate between the US Dollar and the Indian Rupees. In order to mitigate the risk the Management constantly review and tracks foreign currency movements closely.

d) **Financial risk:** - The surplus funds of the Company are invested in fixed deposits with banks which is averse to risk related to volatility of interest rate. To mitigate the risk of interest rate the Management closely tracks movement of rate change with banks.

e) **Credit risk:** - It is exposed to risk of delay in collection from customers and to mitigate such risk pre-defined credit period is mentioned in contract entered and regular follow up process for receiving overdue invoice payments from customers.

f) **Operational risk:** - The Company is exposed to risks of operational performance on account of costs. If the performance is lower than expected from the operators, it could have impact on profitability. So to mitigate such risks the Company had proper MIS in place. The rising inflation and salaries along with high attrition is a threat. This is planned to be offset with increased productivity and increased use of technology to reduce the dependence on manpower.

g) **Investment risk:** - The Company through its wholly owned subsidiary HOVS LLC holds investments in quoted shares. The Company is exposed to the risk of value of investment getting effected due to performance of the investee company and related market risks. To mitigate such risk the Management of the Company keeps constant liaison with investee company and the Board of the Company is been kept informed about necessary information on timely basis.

h) **Information Technology risk:** - The evolving technologies through challenges. The business operations are mostly dependent on systems involving computers/ servers which are prone to hacking due to advancement in technology. In order to mitigate the hacking risk, appropriate anti-hacking multi layered systems are installed, education of all employees at all levels and periodic strengthening of IT security.

i) **Legal, Compliance risk:** - There is a risk on account of dynamic legal environment. Understanding regulations and statutory compliance is vital to mitigate such risk. The Management had created a robust compliance framework and at times takes help from professional firms in order to ensure compliance.

j) **Social Media risk:** - Being listed entity, the Company is exposed to risks of any inappropriate discloser made by any employee in social media. In order to mitigate such risk the employees and Management including board members strictly adheres to the code of "Fair Disclosure Code" of the Company.

k) **Business Continuity and Disaster Recovery risk:-** To ensure continued delivery of services to customers irrespective of any disturbances the Company has implemented strong systems and processes across different locations so as to enabling it to take appropriate measures in respect of disaster recovery and business continuity.

l) **Inflation risk:** - The rising inflation and salaries along with high attrition among employees is a risk. The impact of this is hard to manage and to the extent possible, the Management uses technology, automation, incentives and good work environment to reduce its impact.

m) **Cyber Security risk:-** It possess risk for business in all aspects, right from phishing emails; vulnerable to hacking of IT systems; and clicking on links or downloading documents that turn out to be malware. Key steps to mitigate such risk is educating employees to aware of unwanted mails, implementation of antivirus software and proper patch management along with strong monitoring from IT Department on continues basis.

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 therefor

Sr.no	Particulars	Numerator	Denominator	FY 2021-22	FY 2021-22	"Variance" (in %)"	Detail explanation for change (where the change is 25% or more as compared to the immediately previous financial year)
(a)	Current Ratio	Total of Current Assets	Total of Current liabilities	0.78	0.91	(14.2)	-
(b)	Debt Service Coverage Ratio	Profit/(Loss) before tax from continuing operations	Debt Service (Borrowings+ Interest payable)	4.34	2.32	87.3	Due to repayment of borrowings as per the terms.
(c)	Return on Equity Ratio	Profit/(Loss) after tax	Total Equity	0.07	0.02	186.5	Due to change in fair value of quoted investment.
(d)	Trade Receivables Turnover Ratio	Revenue from Operations	Average Trade Receivables	1.98	1.79	10.6	-
(e)	Trade Payable Turnover Ratio	Purchase of services and other expenses	Average trade payable	10.97	8.39	30.7	Due to payment to trade payables
(f)	Net Capital Turnover Ratio	Revenue from Operations	Working capital	(3.42)	(7.67)	(55.5)	In current year more fixed deposits are classified as non current due to maturities of more than 12 months and due to increase in lease liability.
(g)	Net Profit Ratio	Net profit after tax	Revenue from Operations	0.21	0.25	(14.1)	-
(h)	Return on Capital Employed	Profit/(Loss) before interest and tax	Capital employed (total assets less current liabilities)	0.10	0.03	207.0	Due to decrease in fair value of quoted investment.
(i)	Return on Investment	Dividend Income	Cost of Investments	NA	NA	-	-

Opportunities, Outlook & Threats

Global economic growth much affected from previous year and continued for reporting year 2021-22 because of several phases of lockdown and social distancing restrictions on account of Covid-19 pandemic and expected to impact significantly economic activity on all segment of markets, and causes disruption in demand-supply. The demand of current projects is impacted and for new projects difficult to predict any scenario. In such situation the resources are to conserve to keep going with business need and sustain impact circumstances.

The impact of the global health pandemic may be different from that estimated as at the date of approval of financial results for reporting year. Considering the continuing uncertainties, the Company will continue to closely monitor any material changes to future economic conditions.

Report On Corporate Governance

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2022.

1. Company's Philosophy on Corporate Governance

Corporate Governance philosophy is aimed at to conduct the business in a fair, transparent and ethical manner fulfilling its corporate responsibility towards various stakeholders and enhancing shareholders' value in the long term. The Company is committed to good Corporate Governance practices and compliance with all applicable statutes. The Company's affairs being managed in a manner which ensures accountability, transparency in all corporate affairs.

The Board believes that combining the highest levels of ethical practices with experience and expertise, will ensure the Company's philosophy on Corporate Governance.

The Board of Directors and Senior Management of your Company not only adhere to legal obedience of applicable laws but goes deeper confirming to ethical practices across the entire functioning of the Company thereby observing the corporate governance principles in its letter and spirit.

2. Board of Directors

The Board of Directors of your Company comprises of members having distinguished experience in various fields such as management, finance, technology and strategic planning, with considerable professional expertise and experience in business and industry. The Board of Directors of your Company has a judicious mix of Executive and Independent Directors. Out of total strength of six directors, three are independent directors.

The Board functions either as a full Board or through its various Committees constituted to oversee specific operational areas. The Board of Directors of your Company along with its Committees provides direction and guidance to the Company's Management and directs, supervises the functioning of the Company. The Board plays an important role in overseeing how the management safeguards the interests of all the stakeholders' interest and entrusted with the task of managing the Company directly or through delegation of authority to executive management which provides the Board detailed reports on its performance periodically.

(a) Composition of Board of Directors

The Board has an optimum combination of executive and non-executive Directors including woman director. All non-executive directors are Independent Directors. The Chairman of the Company is an Executive Director. The Board of Directors is constituted in compliance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(b) Directors' Compensation and Disclosures

The Non-Executive Directors on the Board of the Company are paid sitting fees for attending the Board Meeting and meetings of the various committees of the Board of Directors. All such fees paid to the Non-Executive Directors are fixed by Board of Directors.

During the financial year no stock options granted to the Non-Executive Directors. Pursuant to Section 149 of the Companies Act, 2013 Independent Directors of the Company shall not be entitled for any further grant of stock options.

(c) Other provisions related to Board and Committees

The members, both of Board and its Committees, are free to provide inputs for any other items to be included in the Agenda, though they have right to bring the matters for discussion in the meetings with the permission of the Chairman. The Company Secretary in consultation with the Chairman of the Company prepares the required agenda and supporting papers required for the Board and Committee meetings and circulates the agenda papers and supporting documents well in advance before the respective Board and Committee Meetings.

The Board and Audit Committee meet at least four times on quarterly basis in a year to review inter alia the quarterly financial statements other agenda matters. Additional board meeting are held on need basis to conduct required business matters. The Nomination & Remuneration Committee and Stakeholder's Relationship Committee of the Board meets twice a year and also, as and when required.

The members of the Board and Committees, always attempt to make themselves available to attend meeting either, in-person or through video-conference, as per circumstance prevailing at time of such meetings.

The gap between two board meetings does not exceed four months. Leave of absence was granted to the Directors as and when requested by them. The Board was made available necessary information as required to be placed before the Board as per Regulation 17 (7) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR), 2015"] for their discussion and consideration.

As per Regulation 26 of SEBI (LODR), 2015 none of the Directors on the Company's Board is a member of more than ten committees or Chairman of more than five committees across all listed entities in which he/ she is director. All the directors have made necessary disclosure regarding committees positions held by them in other listed entities. None of the directors is having any relation with other directors of the Board.

The composition of Board, attendance at Board meeting during the year under review, number of Directorship, membership and their shareholding in the Company is given as hereunder:-

i) Composition of Board of Directors:

Name of Director	Title
Mr. Vikram Negi	Chairman & Executive Director
Mr. Sunil Rajadhyaksha	Executive Director & Promoter
Mr. Surinder Rametra	Executive Director & Promoter
Mr. Harjit Singh Anand	Non-Executive Independent
Mrs. Lakshmi Kumar	Non-Executive Independent
Mr. Ajay Puri	Non-Executive Independent

ii) Attendance of the Directors at the Board meetings & AGM:

Name of the Director	Date of Board Meetings				Date of AGM
	July 29, 2021	August 13, 2021	November 13, 2021	February 12, 2022	September 22, 2021
Mr. Vikram Negi	P-VC	P-VC	P-VC	P-VC	P-VC
Mr. Sunil Rajadhyaksha	P-VC	P-VC	P-VC	P-VC	P-VC
Mr. Surinder Rametra	A	P-VC	P-VC	P-VC	P-VC
Mr. B R Gupta[1]	P-VC	NA	NA	NA	NA
Mr. Harjit Singh Anand	P-VC	P-VC	P-VC	P-VC	P-VC
Mrs. Lakshmi Kumar	P-VC	P-VC	P-VC	P-VC	P-VC
Mr. Ajay Puri[2]	NA	P-VC	P-VC	P-VC	P-VC

P-Present in person; A-Absent; P-VC- Present through video conferencing
[1]Retired effective July 25, 2021;
[2]Appointed effective July 26, 2021

iii) Shareholdings of Directors as of March 31, 2022

Name of Director	Number of Shares
Mr. Vikram Negi, Chairman & Executive Director	63,556
Mr. Sunil Rajadhyaksha, Executive Director[1]	5,88,720
Mr. Surinder Rametra, Executive Director[1]	1,20,000
Mr. Ajay Puri, Independent Director	-
Mr. Harjit Singh Anand, Independent Director	-
Mrs. Lakshmi Kumar, Independent Director	-

[1] Promoters-refer "General Shareholder Information section of Corporate Governance Report" for shareholdings of Promoters.

(d) Details of Remuneration/sitting fees of all the Directors:

Name of Director	Salary/ Perquisites Rs.	Bonus/Commission Rs.	Sitting Fees Rs.
Mr. Vikram Negi	Nil	Nil	Nil
Mr. Sunil Rajadhyaksha	Nil	Nil	Nil
Mr. Surinder Rametra	Nil	Nil	Nil
Mr. Harjit Singh Anand	Nil	Nil	5,10,000
Mrs. Lakshmi Kumar	Nil	Nil	5,40,000
Mr. Ajay Puri	Ni	Nil	3,60,000

(e) Details of directorship/committee membership/chairmanship in other companies:

Name of Director	Other company directorship	Committee chairmanship	Committee membership
Mr. Vikram Negi	Nil	Nil	Nil
Mr. Sunil Rajadhyaksha	Nil	Nil	Nil
Mr. Surinder Rametra	Nil	Nil	Nil
Mr. Harjit Singh Anand	CAF India Pvt. Ltd.	Nil	Nil
Mrs. Lakshmi Kumar	Nil	Nil	Nil
Mr. Ajay Puri	Mettube Sdn. Bhd.	Nil	Nil

Notes:

i) Mr. Sunil Rajadhyaksha has been re-appointed as Whole time Director designated as Executive Director for further term of five years effective April 1, 2021 to March 31, 2026.

ii) Mr. Surinder Rametra has been reappointed as Whole time Director designated as Executive Director for further term of five years effective from April 1, 2021 to March 31, 2026.

iii) Mr. Ajay Puri was appointed as an Independent Director of the Company for his 1st term of five years period from September 22, 2021 up to September 21, 2026, in 33rd Annual General Meeting held on Sept 22, 2021.

iv) None of the Executive Directors are taking any remuneration from the Company.

v) There is no pecuniary relationship with non-executive directors except entitled for sitting fees for attending Board Meetings and its Committees Meetings.

vi) The remuneration payable to directors does not have performance linked incentives.

vii) None of the Directors are eligible for severance fees.

viii) Notice period, as mutually decided by the Board and Director.

3. Audit Committee

The Company had constituted Audit Committee of its Board of Directors in accordance with the provisions of Section 177 of the Companies Act, 2013 and Regulations 18 of the SEBI LODR, to monitor and effectively supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosures.

The composition of the Audit Committee and its roles is as per the provisions of Companies Act, 2013 and SEBI (LODR), 2015. The terms of reference of the Audit Committee are in accordance with the Companies Act, 2013 and the SEBI Listing Regulations. The detailed terms of reference of audit committee have been placed on the Company's website www.hovsltd.com under Investor Relations.

In compliance with the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, more than half of the members are independent and are financially literate and have accounting or related financial management expertise. The Chairman of the Company, Statutory Auditors, and Chief Financial Officer attend the meetings of the Audit Committee as invitees. Mr. Bhuvanesh Sharma, VP-Corporate Affairs & Company Secretary & Compliance Officer also acts as Secretary to the Audit Committee.

The Audit Committee, inter alia, discussed and deliberates on the financial results, appointment/re-appointment of Statutory Auditors, review of internal audit functions, review of internal audit report, and review of related party transactions, provide omnibus approval, make deliberation with Statutory Auditors. Mr. Harjit Singh Anand, Chairman of Audit Committee attended 33rd Annual General Meeting held on September 22, 2021.

Composition of Audit Committee:

Name	Designation/Category
Mr. Harjit Singh Anand	Chairman (Independent Director)
Mrs. Lakshmi Kumar	Member (Independent Director)
Mr. Ajay Puri	Member (Independent Director)
Mr. Surinder Rametra	Member (Executive Director)

Audit Committee Meetings and its member's attendance:

Meeting Date	July 29, 2021	August 13, 2021	November 13, 2021	February 12, 2022
Mr. Harjit Singh Anand	P-VC	P-VC	P-VC	P-VC
Mrs. Lakshmi Kumar	P-VC	P-VC	P-VC	P-VC
Mr. Surinder Rametra	P-VC	P-VC	P-VC	P-VC
Mr. Ajay Puri	NA	P-VC	P-VC	P-VC

4. Nomination & Remuneration Committee

The Company had constituted the Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR), 2015 to act in terms of the reference specified by the Board of Directors of the Company. The Company Secretary acted as the Secretary to the Nomination and Remuneration Committee.

The Nomination & Remuneration Committee acts in terms of reference specified by the Board which, inter-alia, includes:-

i) Identify persons who are qualified to become directors and who may be appointed in "senior management" and recommend to the board for their appointment and removal;

ii) Devising a policy on Board diversity;

iii) Formulate the criteria for determining qualifications, positive attributes and independence of a director;

iv) Formulation of criteria for evaluation of performance of independent directors and the board of directors;

v) 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.

vi) Recommend to the board, all remuneration, in whatever form, payable to senior management.

vii) Recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees ensuring the following while formulating the policy that:-

a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

d) recommend to the board, all remuneration, in whatever form, payable to senior management

Composition of Nomination and Remuneration Committee

Name	**Designation/Category**
Mrs. Lakshmi Kumar	Chairman (Independent Director)
Mr. Harjit Singh Anand	Member (Independent Director)
Mr. Ajay Puri	Member (Independent Director)
Mr. Vikram Negi	Member (Chairman & Executive Director)

Nomination & Remuneration Committee Meetings and its member's attendance

Meeting Date	**July 29, 2021**	**November 13, 2021**
Mr. Harjit Singh Anand	P-VC	P-VC
Mrs. Lakshmi Kumar	P-VC	P-VC
Mr. Vikram Negi	P-VC	P-VC
Mr. Ajay Puri	NA	P-VC

The Remuneration Policy of the Company is designed to attract, motivate and retain manpower. This Policy applies to directors and senior management including its Key Managerial Personnel (KMP) and other senior employees of the Company. The salient features of the Policy is annexed to the Annexure **[G]** of the Board Report.

The Committee reviewed, for the year 2021-22, the implementation and compliance of effective evaluation of performance of Board, its committees, chairperson and individual directors.

5. Stakeholders Relationship Committee

The Company had constituted the Stakeholders Relationship Committee in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (LODR), 2015 to act in terms of the reference specified by the Board of Directors of the Company.

The Stakeholders Relationship Committee specifically looks into various aspects of interest of shareholders and inter-alia include the following:

a) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

b) Review of measures taken for effective exercise of voting rights by shareholders.

c) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

d) Review of the 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 shareholders of the company.

Composition of Stakeholder Relationship Committee

Name	Designation/Category
Mr. Ajay Puri	Chairman (Independent Director)
Mr. Harjit Singh Anand	Member (Independent Director)
Mr. Sunil Rajadhyaksha	Member (Executive Director)

Stakeholders Relationship Committee Meetings and its member's attendance

Meeting Date	July 29, 2021	November 13, 2021
Mr. Harjit Singh Anand	P-VC	P-VC
Mr. Sunil Rajadhyaksha	P-VC	P-VC
Mr. Ajay Puri	NA	P-VC

Details of shareholders complaints during the year:

Number of complaints filed	Nil
Number of complaints disposed	Nil
Number of complaints pending at end of year	Nil

Mr. Ajay Puri, Chairman of Stakeholders Relationship Committee attended 33rd Annual General Meeting held on September 22, 2021.

The Company Secretary of the Company act as Compliance Officer and under authorization from the Committee overview the task of investor's servicing and redress their grievances re-materialization of shares, issue of duplicate share certificates, issue of new certificates in replacement of those that are torn, defaced, lost or destroyed, split/consolidation of share certificates and any other matter as and when received from the shareholders of the Company and maintain the records thereof.

6. General Body Meetings

a) The details of last three previous Annual General Meetings:

The annual general meetings of the Company during the previous three years were held as detailed below:

Details of AGM/Year	Date & Time of AGM	Special Resolutions passed, if any
31st AGM/ 2019	September 10, 2019 11:00 AM	Approval for continuation of directorship of Mr. B R Gupta as independent director until the expiry of his existing term upto July 25, 2021 though he was of 79 years.
32nd AGM/ 2020	September 22, 2020 9:00 AM *Through Video Conference*	i) Re-appointed Mrs. Lakshmi Kumar as Independent Director for 2nd term of five years period from July 22, 2020 to July 21, 2025. ii) Re-appointed Mr. Sunil Rajadhyaksha as Whole time Director designated as Executive Director for another term of five years period from April 1, 2021 to March 31, 2026. iii) Re-appointed Mr. Surinder Rametra as Whole time Director designated as Executive Director for another term of five years period from April 1, 2021 to March 31, 2026.
33st AGM/ 2021	September 22, 2021 10:00 AM *Through Video Conference*	Re-appointed Mr. Surinder Rametra as Whole time Director designated as Executive Director for another term of five years period from April 1, 2021 to March 31, 2026.

b) Extra Ordinary General Meeting:

No Extra Ordinary General Meeting was held during the year.

c) Resolutions passed through Postal Ballot & details of voting pattern:

No postal ballot was conducted during the year.

7. Subsidiary Companies

The details of the Company's subsidiaries, are given in the Board Report. The HOVS LLC, wholly owned subsidiary of the Company is material subsidiary, as per the criteria laid down in Regulation 16 (c) of SEBI (LODR) Regulations, 2015, as amended from time to time.

The major updates about the subsidiary companies are regularly presented to the Audit Committee and the Board in addition to the key points which are taken up in the audit committee/ board meeting of subsidiaries. The key matters which are regularly taken up in the Audit Committee and Board meeting includes i) Minutes of all the meetings of board of directors of the Indian subsidiary company held in previous quarter; ii) Review of the financial statements; and iii) major dealings and significant matters.

8. Disclosures Requirements

a) There was no material significant related party transactions during the year between the Company and its related parties having potential conflict with the interests of the Company.

b) The Company was not subject to any non-compliance and no penalties or strictures were imposed on the Company by, SEBI or any statutory or other authority on any matters relating to capital markets, during the last three years.

c) The Company has formulated a Whistle Blower Policy to establish a vigil mechanism for Directors and employees of the Company to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The whistle Blower Policy is available on http://www.hovsltd.com/docs/Policies/2019/HOVS%20Vigil%20WhistleBlower%20Policy%20April%201%202019.pdf

d) The Company had complied with mandatory requirements of disclosures under corporate governance report. The Company is complying of the non-mandatory requirements that the internal auditors of the Company reports to the Audit Committee of the Board of Directors.

e) The details of the policy on determining "Material Subsidiaries" is available on http://hovsltd.com/docs/Policies/2019/HOVS%20Policy%20for%20Material%20Subsidiary%20Apirl%201%202019.pdf

f) The Company has formulated policy on Related Party Transactions available on http://www.hovsltd.com/docs/Policies/2022/HOVS%20RPTs%20Policy-April%202022.pdf

g) There was no matters related to commodity price risk and commodity hedging activities during the year.

h) The Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

i) All the Directors of the Company are not debarred or disqualified by the Securities and Exchange Board of India /Ministry of Corporate Affairs or any such statutory authority from being appointed or continuing as Directors of Companies and a certificate from the Secretarial Auditor of the Company was obtained in this regard, is annexed with in "**ANNEXURE- F**" to the report.

j) The Board of Directors generally accepts recommendations of its Committees, and there are no such matters during the financial year required to be disclosed in terms of the non-acceptance of recommendations of the Audit & NRC Committee to the Board.

k) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part is given below:

(Amounts in Lakhs)

Payment to Statutory Auditors	**FY 2021-22**
Audit Fees	5.00
Limited Review & Certification	3.00
Other Certification Services	1.20
Total	**9.20**

l) 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 2021-22 - **Nil**

b. number of complaints disposed of during the financial year 2021-22 - **Nil**

c. number of complaints pending as on end of the financial year 2021-22- **Nil**

m) During the year, no employee was denied access to Audit Committee.

n) No dividend was declared for the financial year ended March 31, 2022.

o) The details of the familiarization program disclose on the Company's website http://www.hovsltd.com/docs/ir/HOVS-%20FAMILIRIZATION%20PROGRAMME%20-ID.pdf

9. Insider Trading Regulations

The Company has adopted HOVS PIT Code effective 2015 and as amended from time to time for prevention of Insider Trading and Fair disclosure of unpublished price sensitive information. The HOVS PIT Code is applicable to all insiders and designated persons as envisage in the Code. The HOVS PIT Code include the Policy for Inquiry in case of leak of UPSI and the Policy for Determination of legitimate Purpose for sharing of UPSI.

Mr. Bhuvanesh Sharma, VP-Corporate Affairs & Company Secretary & Compliance officer of the Company, act as the Compliance Officer for the purpose of prevention of insider trading regulations.

10. Skills / Expertise / Competencies of the Board of Directors

i) The Board of Directors have identified the following set of matrix of the skills/expertise required in the context of its business for it to function effectively.

Required in the context

Core Skills	**Possessed with the Directors**
· Corporate Governance	Yes
· Strategy Building	Yes
· Financial Literacy	Yes
· Risk and Compliance Management	Yes
Expertise	
· Leadership in workforce development and support	Yes
· Financial and Investment management	Yes
· Commercial and Business acumen/experience	Yes
Competencies	
· Leadership	Yes
· Critical Decision Making	Yes
· Commitment to the Role Assigned	Yes

ii) The below table highlights the expertise of individual Board members. However, in case a member name is not mark for the specific skill, does not necessarily mean the Member does not possesses the corresponding skill or expertise to that specific area.

	Name of the Director					
Core Skills/Expertise Competencies	Mr. Vikram Negi	Mr. Sunil Rajadhyaksha	Mr. Surinder Rametra	Mr. Ajay Puri	Mr. Harjit S Anand	Mrs. Lakshmi Kumar
Corporate Governance & Ethics	✓	✓	✓	✓	✓	✓
Management and Strategy	✓	✓	✓	✓	✓	✓
Global Business Leadership	✓	✓	✓	✓	-	✓
International business	✓	✓	✓	✓	-	-
Information Technology, Systems/Computers	-	✓	✓	✓	✓	-
Human Resources and Employee Relations	-	✓	✓	✓	-	✓
Finance & Taxation	✓	✓	✓	✓	-	-
Investment & Treasury Management	✓	✓	✓	-	-	-
Audit and Risk Management	-	✓	✓	✓	-	-
Academics, Education, Authorship	-	✓	✓	-	-	✓
Regulatory and Government matters	-	✓	✓	✓	-	-
Leadership in workforce development and support	-	✓	✓	✓	-	✓
Leadership & Strategy Building	✓	✓	✓	✓	-	✓
Financial Literacy	✓	✓	✓	✓	✓	✓
Commercial and Business acumen/experience	✓	✓	✓	✓	-	-
Critical Decision Making	✓	✓	✓	✓	✓	✓
Commitment to the Role Assigned	✓	✓	✓	✓	✓	✓
Risk Compliance Management	✓	✓	✓	✓	✓	-

11. Board Confirmation on Director Independence

All the Independent Directors are non-executive directors and based on the declarations received from them, the Board of the Company confirms that all the independent directors meet the conditions specified in the SEBI Listing Regulations and they are independent of the management.

12. Unclaimed /unpaid Dividends

In accordance with applicable provisions of Section 124 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 of Companies Act, 2013, as amended from time to time, all the unclaimed dividend amounts were transferred to IEPF until previous FY 2018-19 in due time as applicable along with unclaimed shares. From the year 2019-20 there was no unclaimed dividend amounts lying with the account of the Company.

13. Unclaimed shares

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI Listing Regulations, details of equity shares in the suspense account are as under and the voting rights on the shares outstanding in the suspense account as on March 31, 2022 shall remain frozen till the rightful owner of such shares claims the shares.

14. Transfer of shares to Investor Education Protection Fund ("IEPF")

Description	No. of Cases	No. of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year :	4	341
Shareholders who approached the Company for transfer of shares from suspense account during the year:	0	0
Shareholders to whom shares were transferred from suspense account during the year:	0	0
Shareholders whose shares are transferred tothe demat account of the IEPF Authority asper Section 124 of the Act:	0	0
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year :	4	341

The Company in due time until previous FY 2018-19 have transferred all such shares to IPF Account by following the due process, in accordance with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017, (the "Rules") as amended from time to time, inter-alia provides for transfer of shares in respect of which dividend remains unclaimed or unpaid for seven consecutive years or more to IEPF Account.

The Company had also uploaded on its website www.hovsltd.com full details of concerned shareholders whose shares are transferred to the IEPF Authority. The details of the shares transferred under the Rules are as under:

No of shares transferred to IEPF	851

It may be noted that both the unclaimed dividend and shares transferred to the IEPF including all benefits accruing, if any, in such shares can be claimed back by the shareholder(s) from IEPF Authority by following procedure prescribed in the Rules.

In case the concerned shareholder(s) holding shares in physical form, if any, and whose shares are transferred to IEPF, such shareholder(s) may note that the Company will be issuing duplicate share certificate(s) in lieu of original share certificate held by them for the purpose of transfer of such shares to IEPF as per the Rules. The concerned shareholder(s) further note that the details uploaded on Company's website should be regarded and shall be deemed to be adequate notice for the purpose of issue of duplicate share certificate(s) for the purpose of transfer of shares to IEPF pursuant to the Rules.

For any queries on the above matter, concerned shareholders are requested to contact the Company's Registrar and Share Transfer Agents, M/s KFin Technologies Limited, Mr. Mohd Mohsin Uddin, Senior Manager at Unit: HOV Services Limited, Selenium Tower B, Plot no 31-32, Financial district, Nanakramguda, Serilingampally, Hyderabad Rangareddi 500 032. Tel: +91 40-67161562; email IDmohsin.mohd@kfintech.com

15. Guidelines for Investors to file claim inrespect of the Unclaimed Dividend orShares transferred to the IEPF

The shareholders whose unpaid dividends/shares have been transferred to IEPF Authority and who have a claim on such dividends/shares may claim the same from IEPF Authority by submitting an online application in web Form No. IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividends / shares so transferred.

16. Nomination Facility

The provisions of Section 72 of the Companies Act, 2013, provides facility for making nominations by Members in respect shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13 prescribed for making nomination. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to the Company's R&T agent in case the shares are held in physical form. The individual shareholders holding shares in physical form either singly or jointly can nominate a person in whose name the shares shall be transferable in the case of death of the registered shareholder(s).

17. Means of Communications

The Company's quarterly, half yearly and annual financial results are published in Financial Express (all editions) and Loksatta, Pune (regional newspaper). The Company maintained its website were other investor related information are made available to the shareholders by way of displaying under "Investor Relation" section on the web site of the Company at www.hovsltd.com. All the information about the Company is promptly filed/communicated with Stock Exchange through their electronic filing system, where the shares of the Company are listed and are released to press, where ever required, for information of public at large and is also made available on the Company's website.

The Company will service delivery of document such as notice of meetings, annual report and make the communication in electronic form to the e-mail address provided by member and made available to Company and R&T agent of the Company by the Depositories. Therefore, it is requested to register/ provide/update your e-mail address with Depositories and with the R&T Agent of the Company on the email id einward.ris@kfintech.com created for the purpose. Shareholders, who desires to receive the said documents in physical form could make request for the same to the R&T or the Company.

18. Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certifications

As per the requirement of Regulation 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements), 2015, a duly signed certificate was placed at the meeting of Board of Directors of the Company held on May 27, 2022. The same is annexed to the Board's Report.

19. General Shareholder Information

a) Details of ensuing 34th AGM:

Day and Date	Time	Venue
Wednesday, July 20, 2022	10:00 A.M.	Since this AGM is held through VC/OAVM as per the MCA Circulars, therefore there is no venue.

b) Financial Year: April 1 to March 31

c) Dividend payment date: No dividend was declared for the financial year ended March 31, 2022.

d) Listing on Stock Exchanges:

Shares of the Company are currently listed on following exchanges:

Name	Stock Code	Address
National Stock Exchange of India Limited (NSE)	HOVS	Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai- 400 051
BSE Limited (BSE)	532761	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001

e) Market price data:

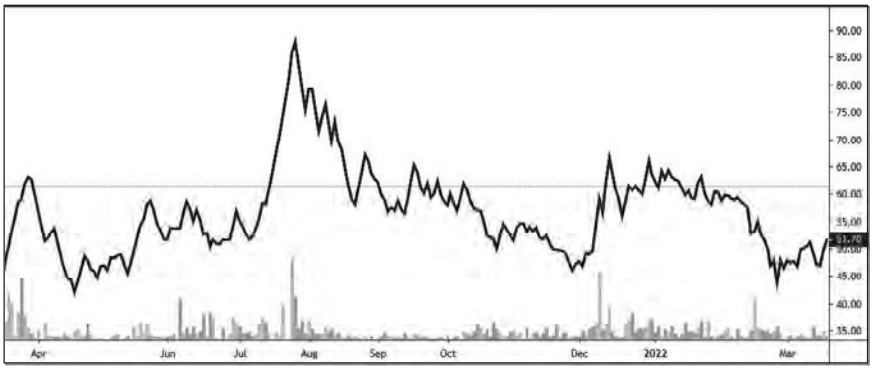
Monthly highs, lows and trading volume for FY ended March 31, 2022 is as below:

Month	NSE			BSE		
	High (₹)	Low (₹)	Trade Quantity	High (₹)	Low (₹)	Trade Quantity
Apr-21	49.50	44.50	33,240	60.00	39.95	12,630
May-21	60.50	43.20	48,486	60.85	44.60	12,595
Jun-21	60.00	48.80	60,680	59.80	49.40	30,175
Jul-21	90.70	51.25	3,55,003	90.00	51.40	61,887
Aug-21	83.10	56.10	24,379	82.90	56.25	15,233
Sep-21	68.20	55.45	22,384	68.40	55.00	5,164
Oct-21	61.35	49.30	38,010	63.65	49.90	13,869
Nov-21	57.00	45.55	21,401	56.40	46.05	10,832
Dec-21	69.15	46.10	2,02,912	69.45	46.65	50,523
Jan-22	68.00	56.95	45,544	66.80	57.05	15,127
Feb-22	64.35	43.65	36,645	62.10	43.65	30,120
Mar-22	53.95	43.70	28,446	53.85	43.65	9,462

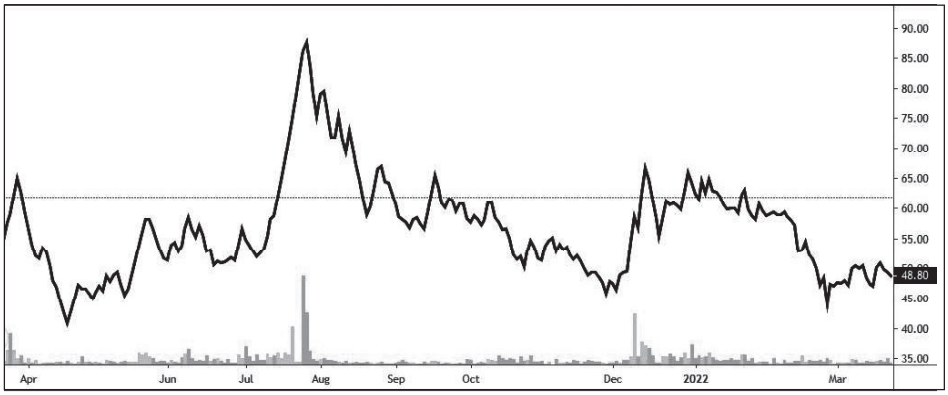
f) HOV Services Limited's Share prices versus the NSE Nifty

The Chart herein below shows the comparison of the Company's share price movement vis-à-vis the movement of BSE Sensex and NSE Nifty: Historic Graph 01-04-2021 to 31-03-2022

HOVS vis-à-vis BSE Sensex:



HOVS vis-à-vis NSE Nifty:



g) Registrar and Share Transfer Agent

The Company has appointed KFin Technologies Limited as its share transfer agent.

KFin Technologies Limited
Selenium, Tower B, Plot 31 & 32,
Financial District, Nanakramguda Serilingampally Mandal,
Hyderabad 500 032.

h) Share Transfer System

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. The work related to transfer, transmission, transposition, as well as requests for dematerialization/rematerialisation are being carried out by the Company's Registrar and Share Transfer agent. Shareholders/Investors are requested to send transmission/ transposition related documents directly to Registrar and Share Transfer Agent. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

i) Financial Calendar for the Financial Year 2022-23:

Schedule of the Board Meetings for declaration of Financial Results (tentative and subject to change):

Quarter End	Date
1st Quarter Results	On or before August 14, 2022
2nd Quarter Results	On or before November 14, 2022
3rd Quarter Results	On or before February 14, 2023
4th Quarter Results (Audited)	On or before May 30, 2023

j) Date of Book Closure: July 17, 2022 to July 20, 2022 (both days inclusive).

k) Distribution of Shareholding as of March 31, 2022

(i) **Distribution of Shares according to size of holding:**

Sr. No	Category (Shares)	No. of Holders	%To Holders	No. of Shares	% To Equity
1	1 - 5000	8207	98.26	2287985	18.17
2	5001 - 10000	73	0.87	505290	4.01
3	10001 - 20000	35	0.42	495469	3.93
4	20001 - 30000	4	0.05	95938	0.76
5	30001 - 40000	4	0.05	144181	1.14
6	40001 - 50000	3	0.04	142074	1.13
7	50001 - 100000	14	0.17	940897	7.47
8	100001 and above	12	0.14	7983138	63.38
	TOTAL:	**8352**	**100.00**	**12594972**	**100.00**

(ii) **Distribution of Shares by Shareholders Category:**

Sr. No.	Description	No. of Cases	Total Shares	% Equity
1	TRUSTS	1	1000	0.01
2	RESIDENT INDIVIDUALS	7887	3793240	30.12
3	BODIES CORPORATE	1	786224	6.24
4	PROMOTERS	8	6349829	50.42
5	EMPLOYEES	5	26392	0.21
6	NON RESIDENT INDIANS	67	142481	1.13
7	CLEARING MEMBERS	24	19575	0.16
8	NON RESIDENT INDIAN NON REPATRIABLE	25	286844	2.28
9	BODIES CORPORATES	61	515824	4.10
10	I E P F	1	816	0.01
11	H U F	269	295331	2.34
12	FOREIGN NATIONALS	3	377416	3.00
	Total	**8352**	**12594972**	**100.00**

(iii) **Promoters & Top 10 Shareholders as of March 31, 2022**

Promoters Shareholdings:

Sr.No.	HOLDER	TOTAL SHARES	% TO EQUITY	CATEGORY
1	ADESI 234 LLC	3000985	23.83	PRO
2	HOF2 LLC	1667933	13.24	PRO
3	STERN CAPITAL PARTNERS LLC	694246	5.51	PRO
4	Sunil Vasant Rajadhyaksha	588720	4.67	PRO
5	GENERAL PACIFIC LLC	214273	1.70	PRO
6	Surinder Rametra	120000	0.95	PRO
7	Parvinder S Chadha	38250	0.30	PRO
8	Rajadhyaksha Anil Vasant	25422	0.20	PRO

Top Ten shareholders other than Promoters:

Sr.No.	HOLDER	TOTAL SHARES	% TO EQUITY	CATEGORY
1	Chitale LLC	786224	6.25	LTD
2	EIndia Venture Holding Company Ltd	232786	1.85	LTD
3	Xin Cheng	223950	1.78	FN
4	Purvi Prabhatchandra Jain	205061	1.63	PUB
5	Karan Negi	148817	1.18	NRN
6	Nilesh Chandrakant Shah	100143	0.80	PUB
7	Ronald Cogburn	88978	0.71	FN
8	Rishi Rajendra Shah	88613	0.70	PUB
9	Isha Securities Limited	87179	0.69	LTD
10	Intellect Stock Broking Limited	56113	0.45	LTD

l) Dematerialization of shares and liquidity

As of March 31, 2022, 99.46% of the total issued capital of the Company was held in electronic form with National Securities Depository Limited and Central Depository Services (India) Limited. Shares held in physical and electronic mode as on 31 March 2022 are as under:-

Particulars	As on March 31, 2022		As on March 31, 2021		Net Change during 2021-22	
	No. of shares	% to total shareholding	No. of shares	% to total shareholding	No. of shares	% to total shareholding
Physical	**67,592**	**0.54**	**67,592**	**0.54**	**0**	**0**
Demat						
NSDL	97,61,610	77.50	97,86,039	77.74	(24429)	(0.19)
CDSL	27,65,770	21.96	27,35,341	21.73	30429	0.24
Total	**1,25,94,972**	**100.00**	**1,25,88,972**	**100.00**	**6,000**	**0.05**

m) Outstanding GDRs/ADRs/Warrants/Convertible instruments and their impact on the equity shares

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments, and hence there are no other particulars to be given under this head. None of the underlying equity shares were issued against 15,000,000 number of ADR/GDR previously approved by the Company.

n) Credit Ratings

The Company has not issued any debt instruments or fixed deposit or any proposal involving mobilization of funds, either in India or abroad, hence requirement of taking any rating from such agencies does not apply.

o) Plant/Office Locations

As the Company is engaged in Business Process Outsource (BPO) Industry, it does not have Plant. The Key facilities in India and USA are listed below:

India Office:	Global office:
3rd Floor, Sharda Arcade, Pune Satara Road, Bibwewadi, Pune 411037	8550 W Desert Inn Rd Sute 102452 Las Vegas, NV89117-2119

p) Address for communication

Investors and shareholders can communicate with the share transfer agent or the registered office of theCompany at the following address:

Share transfer Agent	Contact person
KFin Technologies Limited **Unit: HOV Services Limited** Selenium Tower B, Plot No. 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad 500 032	Mohd. Mohsinuddin, Sr. Manager Tel. No: (040) 6716 2222/1562 Toll free No: 1800 309 4001 Email: mohsin.mohd@kfintech.com Website: www.kfintech.com

Company	Contact person
HOV Services Limited 3rd Floor, Sharda Arcade, Pune Satara Road, Bibwewadi, Maharashtra,Pune 411037	Bhuvanesh Sharma VP – Corporate Affairs & Company Secretary & Compliance Officer Tel: (91 20) 2423 1623 Fax: (91 20) 2422 1460 E-mail: investor.relations@hovsltd.com Website: www.hovsltd.com

Annexure – A to the Director's Report

Details of Employees Stock Options as on March 31, 2022.

i) The details of options granted, lapsed and equity shares issued under HOVS ESOP Plan 2007 are as below:

	Plan 2007		
	Employees of the Company	**Employees of the erstwhile subsidiary Companies**	**Total**
Approved Options	**400,000**	**700,000**	**1,100,000**
Grant in 2007	141,500	526,000	667,500
Grant in 2008	28,150	217,900	246,050
Grant in 2011	52,500	10,000	62,500
Grant in 2013	115,000	-	115,000
Total Grant	**337,150**	**753,900**	**1,091,050**
Options Lapsed	**233,200**	**753,900**	**987,100**
Equity shares issued and allotted	**103,950**	**-**	**103,950**
Options in force	**0**	**0**	**0**
Balance options available	**296,050**	**700,000**	**9,96,050**

*Includes lapsed options eligible for further grants and granted.

ii) The details of options vested from grants made in different periods under **Plan 2007:**

Details of Options vested from various below grants	**Employees of the Company**	**Employees of the subsidiary Companies**	**Total**
Grant in 2007	-	-	-
Grant in 2008	-	-	-
Grant in 2011	-	-	-
Grant in 2013	-	-	-
Total options vested	**-**	**-**	**-**

As of March 31, 2022 there are no options vested and none are in force.

iii) Information of grant made to directors and employees under **Plan 2007**:

Date of Options grant	**Directors (A)**	**Other than Directors (B)**	**Total (A+B)**
July 21, 2007	7,500	640,000	647,500
October 25, 2007	0	20,000	20,000
July 30, 2008	7,500	183,550	191,050
October 8, 2008	0	55,000	55,000
May 27, 2011	30,000	32,500	62,500
February 27, 2013	75,000	40,000	115,000
Total Granted	**120,000**	**971,050**	**1,091,050**
Options lapsed	**51,500**	**935,600**	**987,100**
Equity shares Issued on exercise of options	**68,500**	**35,450**	**103,950**
Options outstanding	**0**	**0**	**0**

iv) The details of options granted under the **Plan 2007** are given in the table.

As of March 31, 2022

		HOVS ESOP Plan 2007
a.	Options Granted:	1,091,050
b.	The Pricing formula:	Closing price of the stock exchange where there is highest trading volume, prior to the date of the meeting of the Nomination & Remuneration Committee in which options are granted.
c.	Options Vested:	0
d.	Options Exercised:	1,03,950
e.	Total number of shares would be arising as a result of exercise of options:	0
f.	Options lapsed:	987,100
g.	Variation of terms of option:	NA
h.	Money realized by exercise of options:	₹ 44,75,408
i.	Total number of options in force:	0
j.	Employee wise details of Options granted to :	
	Senior Management personnel:	Nil
	Employee receiving 5% or more of the total number of options granted during the year:	Nil
	Employee granted 1% or more of the issued capital:	Nil
k.	Diluted EPS on issue of shares on exercise calculated in accordance with AS 20.	₹ 1.70 (before exceptional items)

Notes:

i) During the year no options were granted out of HOVS ESOP Plan 2007.

ii) Independent directors are not entitled for any grant of options.

iii) Options issued to employees at an exercise price not less than closing price of the stock exchange where there is highest trading volume, prior to the date of meeting of the Compensation & Remuneration Committee in which options were granted. The options will vest in a phased manner within five years as 10% in each first to four years and balance 60% at the end of fifth year.

iv) As per ESOP Plan 2007, options granted shall be capable of being exercised within a period of five years from the date of vesting of the respective employee stock options. The un-exercised vested options will lapse upon the expiry of five years from the respective date of their vesting.

v) As of March 31, 2022 there are no options in force for further exercise.

Annexure- B to the Board's Report

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

[Section 134 (3) (m) of The Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014)]

Conservation of Energy:

The Company operations require minimal energy in form of electricity for its activities which primarily requires computers/servers. The Company always strives to ensure optimal utilization of energy and avoid wastage on continuous basis by using efficient software's and hardware's and energy saving LED equipment's.

Technology Absorption:

The Company is constantly adopting modern technologies and upgrades, to serve better its clients, retain its employees and improve their productivity and performance and embark on a technologically efficient process which will enable higher productivity with lower costs.

Research and Development:

The Company has not undertaken any R&D activity in any specific area during the year under review, and hence no cost has been incurred towards the same.

Foreign Exchange Earnings and Outgo:

The majority of earnings of the Company are from the export of services since the Company has no domestic business. The foreign exchange earnings for the year ended on March 31, 2022 is ₹ 1005.81 Lakhs.

Annexure- C to the Director's Report

Disclosure as per Section 197 (12) of the Companies Act, 2013 and Rule no. 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22 are as under:

Sr. No.	Name of Director/KMP and Designation	% increase in Remuneration	Ratio of remuneration of each Director/ to median remuneration of employees
1	Sunil Rajadhyaksha, Whole-time Director	NIL	NIL
2	Surinder Rametra, Whole-time Director	NIL	NIL
3	Vikram Negi, Whole-time Director	NIL	NIL
4	Nilesh Bafna Chief Financial Officer	15%	NIL
5	Bhuvanesh Sharma VP-Corporate Affairs, Company Secretary & Compliance Officer	NIL	NIL

ii) The percentage increase in the median remuneration of employees in the financial year was 7%

iii) As on March 31, 2022 the total numbers of employees on the rolls of the Company were 178.

iv) Average percentile increased in the salaries of the employees other than Managerial Personnel remain same as of previous year and there was no change in the salary of Managerial Personnel.

v) It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees.

[Information as per Rule 5(2) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

Sr. No.	Name of the Employee	Designation of the employee	Remuneration received (CTC)	Nature of employment, whether contractual or otherwise	Qualification of the Employee	Experience of the Employee	Date of commen-cement of the employee	Age of the Employee	Last employment held before joining of Company	Percentage of equity shares held by the employee in the Company
1	Nilesh Bafna	Chief Financial Officer	₹32,99,892	Permanent	B.Com., CA	19+ Years	21-Apr-06	45	Own Practice	0.05
2	Balbirsingh Batra	Vice President	₹31,50,000	Permanent	Under Graduate	34+ Years	7-Jan-06	63	Oceans Connect	0.04
3	Bhuvanesh Sharma	"Vice President-Corporate Affairs & "Company Secretary and Compliance Officer"	₹ 30,71,616	Permanent	B.Sc. Maths, MFA, CS	22+ Years	1-Jan-15	50	BancTec TPS India Pvt. Ltd.	0.00
4	Shrirang Chitnis	Director, Applications Development	₹ 27,65,016	Permanent	B.Sc. Microbiology	25+ Years	1-Jan-05	54	Codec Communications Pvt. Ltd.	0.05
5	Dhananjay Sawant	Project Manager, Web and Content	₹23,00,004	Permanent	Diploma in Mechanical Engineering	21+ Years	12-Jul-07	46	Fulcrum Logic	0.00
6	Santosh Pawar	Manager, Systems & IT Security	₹ 19,37,808	Permanent	Bachelor Of Arts	18+ Years	8-Aug-03	43	Bay Area Credit Services Pvt. Ltd.	0.00
7	Madhukar Mazire	Senior Manager, IT	₹ 17,61,636	Permanent	Bachelor Of Commerce	24+ Years	1-Oct-04	45	Creative Computers	0.00
8	Vijaykumar Pawar	Project Manager, Applications / SW Developer	₹ 17,46,924	Permanent	M.C.M.	24+ Years	1-Jan-05	46	Codec Communications Pvt. Ltd.	0.00
9	Vishal Agarwal	Manager, Software Support	₹ 15,00,000	Permanent	B.Sc.	15 Years	24-Dec-07	42	V Customer	0.00
10	Udayan Pitke	Product Lead	₹ 14,20,008	Permanent	PGDBM	17+	25-Nov-10	38	WNS Global Services	0.00

The nature of employment is of employment on payroll of the Company and none of the said employees is relative of any director or manager of the Company.

Annexure- D to the Director's Report

Directors' Responsibility Statement

In compliance with Section 134 (5) of the Companies Act, 2013, your Directors confirmed and state as follows:

a) That in preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures; and

b) That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year March 31, 2022 and of the profit and loss account of the Company for that period; and

c) That the directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

d) That the directors have prepared the annual accounts on a going concern basis; and

e) That the directors had laid down internal financial controls to be followed by the Company and that such system were adequate and were operating effectively; and

f) That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws that such systems were adequate and operating effectively.

Annexure- E to the Director's Report

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 arm's 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:-

	Name(s) of the related party	**SourceHOV LLC**	**HOVG LLC (dba Bay Area Credit Services LLC)**
(a)	Nature of relationship:	Part of Exela group Companies*	Part of Exela group Companies*
(b)	Nature of contracts/ arrangements/transactions:	Sale of Services	Sale of Services
(c)	Duration of the contracts / arrangements/transactions:	Month on Month ongoing basis	Month on Month ongoing basis
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Software and IT enabled services & Data entry / Conversion services	Software and IT enabled services
(e)	Date(s) of approval by the Board, if any:	NA (Approved by Audit Committee on February 12, 2021 for FY 2021-22)	NA (Approved by Audit Committee on February 12, 2021) FY 2021-22)
(f)	Amount paid as advances, if any:	Nil	Nil

** An entity of Investee Company*

For and on behalf of the Board of Directors

Vikram Negi
Chairman & Executive Director
(DIN: 01639441)

Annexure- F to the Director's Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members

HOV SERVICES LIMITED

Sharda Arcade, 3rd Floor, Pune-Satara Road,

Bibwewadi, Pune 411037

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HOV SERVICES LIMITED.** (Hereinafter called 'the Company')

Secretarial Audit was conducted for the financial year 2021-22, in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances of the Company and for expressing my opinion thereon.

Based on my 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, the explanations and clarifications given to me and representations made by the Management, during the audit period covering the financial year ended on March 31, 2022 ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and legal compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I 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, 2022 according to the provisions of the following list of laws and regulations:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

   a. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

b. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; [Not applicable during the Audit Period]

c. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; [Not applicable during the Audit Period]

d. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; [Not applicable during the Audit Period]

e. Securities and Exchange Board of India SEBI (Share Based Employee Benefits and Sweat Equity) Regulations 2021;

f. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; [Not applicable during the Audit Period]

g. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 [Not applicable during the Audit Period];

h. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

i. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2006 regarding the Companies Act and dealing with client

j. SEBI (Delisting of Equity Shares) Regulations, 2009 [Not applicable during the Audit Period];

(vi) OTHER APPLICABLE LAWS: there are no specific laws applicable to the company as informed by the management.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

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

Adequate notice is given to all directors to schedule the committee and Board Meetings, agenda and detailed notes on agenda are sent in advance, 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 meetings.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

I further report that during the audit period -

1. Mr. Surinder Rametra (DIN: 00019714) was appointed as additional director with effect from April 1, 2021 by the board of directors and as whole Time Director by the members of the Company vide special resolution in the 33rd Annual General Meeting held on September 22, 2021 for a period of five from April 1, 2021 till March 31, 2026.
2. The Company, Pursuant to Clause (e) of Part I of Schedule V of the Companies Act 2013, has applied for Central Government approval for appointment of Mr. Surinder Rametra as whole Time Director for a period of 5 years. The same is yet to be approved by the Central Government.
3. Mr. Ajay Puri (DIN: 09231339) was appointed as additional director with effect from July 26 2021 by the board of directors and as an Independent Director by the members of the Company vide ordinary resolution in the 33rd Annual General Meeting held on September 22, 2021 for a period of five years with effect from September 22, 2021 up to September 21, 2026.

For J. B. Bhave & Co.
Company Secretaries
Sd/-
Jayavant B. Bhave
Proprietor; FCS: 4266 CP: 3068

PR No. 1238 / 2021
UDIN: F004266D000365761
Place: Pune
Date: May 27,2022

ANNEXURE TO THE SECRETARIAL AUDIT REPORT OF HOV SERVICES LIMITED (2021-22)
AUDITORS' RESPONSIBILITY

My Report of even date is to be read along with this letter.

In accordance with the ICSI Auditing Standards (CSA1 to CSA4) I wish to state as under-

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I 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, regulations, standards are the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For J. B. Bhave & Co.
Company Secretaries
Sd/-
Jayavant B. Bhave
Proprietor; FCS: 4266 CP: 3068

PR No. 1238 / 2021
UDIN: F004266D000365761
Place: Pune
Date: May 27, 2022

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
HOV SERVICES LIMITED
Sharda Arcade, 3rd Floor, Pune-Satara Road,
Bibwewadi, Pune 411037

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **HOV Services Limited** having CIN: L72200PN1989PLC014448 and having registered office at 3rd Floor Sharda Arcade, Pune Satara Road, Bibwewadi, Pune - 411 037, Maharashtra (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 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 Director	Designation	DIN	Date of appointment in Company
1	Sunil Vasant Rajadhyaksha	Executive Director/ Whole time Director	00011683	10/01/1989
2	Surinder Rametra	Executive Director/ Whole time Director	00019714	03/01/2006
3	Vikram Negi	Executive Director/ Whole time Director	01639441	13/02/2017
4	Harjit Singh Anand	Non-Executive - Independent Director	01549385	05/07/2018
5	Lakshmi Kumar	Non-Executive - Independent Director	06780272	24/10/2014
6	Ajay Puri	Non-Executive - Independent Director	09231339	26/07/2021

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion based on our verification. This certificate is specifically being issued in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 J. B. Bhave & Co.
Company Secretaries
Sd/-
Jayavant B. Bhave

Proprietor; FCS: 4266 CP: 3068

PR No. 1238 / 2021
UDIN: F004266D000365803
Place: Pune
Date: May 27, 2022

Annexure- G to the Board's Report

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The Nomination and Remuneration Committee ("N&R") has adopted a policy which, inter alia, deals with the manner of selection of director and senior management and their remuneration.

i) Identify persons who are qualified and have experience to become directors and who may be appointed as senior management personnel.

ii) In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the independent nature of a director vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

iii) The N&R Committee shall ensure that the candidate identified for appointment as a director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

iv) The N&R Committee shall consider the following attributes/ criteria, whilst recommending to the Board the candidature for appointment as director:-

   a. Qualification, expertise and experience of the directors in their respective fields;

   b. Personal, Professional or business standing; and

   c. Diversity of the Board structure.

v) In case of re-appointment of any directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

Remuneration-

i. The non-executive directors shall be entitled to receive remuneration by way of sitting fees as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and entitle to get reimbursement of expenses for attending and participation in the Board / Committee meetings.

ii. A non-executive director will be entitled to receive commission as may be approved by the Board on the recommendation of the N&R Committee subject to compliance of the Companies Act, 2013.

iii. The independent directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company.

iv. The executive directors at the time of appointment and re-appointment shall be paid such remuneration within the overall limits prescribed under the Companies Act, 2013.

v. In determining the remuneration of the key managerial personnel the N&R Committee shall ensure/ consider the following:

   a. the relationship of remuneration and performance benchmark is clear;

   b. the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;

   c. the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;

   d. the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, industry benchmark and current compensation trends in the market.

Independent Auditor's Report

To The Members of
HOV Services Limited
Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of HOV Services Limited ("the Holding Company") and its subsidiaries (collectively referred to as 'the Group') which comprises of Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss, Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow for the year then ended (Refer "Other Matters" section below), and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 Group as at March 31, 2022, its consolidated profit, other comprehensive income, consolidated changes in equity and its consolidated 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 Consolidated Financial Statements section of our report. We are independent of the Group 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 consolidated 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 consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No	Key Audit Matters	Auditor's response
1.	**Valuation and Impairment of quoted equity instruments :** The Group had made investment in Exela Technologies Inc. ("Exela"-Listed on NASDAQ). We focused on the valuation of quoted equity instruments due to its materiality. As disclosed in note 6, the Group has invested in quoted equity instruments having carrying value i.e. fair value of Rs. 180,928 thousands as at March 31, 2022. These instruments have been classified and measured at fair value through other comprehensive income (FVOCI) and not to be reclassified to profit or loss subsequently. In view of investments being material, we have considered its valuation/impairment to be a significant matter.	**Principal Audit Procedures:** We observed the publicly available quoted prices of the underlying equity instrument-representing holding in Exela Technologies Inc. which are listed on the NASDAQ and also obtained external evidence of existence of investment by getting holding statement from the custodian as well through publicly available filings on NASDAQ from time to time and those have been valued at closing quoted prices as at the close of the year.

Information Other than the Consolidated Financial Statements and Auditor's report thereon

The Holding Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to the Board report, Corporate Governance report and Shareholder's information, but does not include the consolidated financial statement and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, 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.

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

The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including consolidated other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group 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 Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are also responsible for overseeing the reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated 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 consolidated 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) We draw your attention to the Note 37(E) of the consolidated financial statements regarding the assessment made by Management relating to impact of COVID-19 pandemic on the operations of the Group.

(b) We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of Rs 19,911 thousands as at March 31, 2022 and total income of Rs. 1045 thousands and net profit after other comprehensive income of Rs. 72 thousands for the year ended March 31, 2022, disclosed as discontinued operations - Refer note 33 of the Consolidated Financial Statements. These financial statements / financial information of subsidiaries have not been audited by us. These financial statements / financial information have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements is not modified in respect of the above matters with respect to reliance on the work done and the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, the Group has kept proper books of account as required by law so far as it appears from our examination of those books and records.

(c) The Consolidated Balance sheet, the Consolidated Statement of Profit & Loss, Consolidated Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary incorporated in India as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and its subsidiary incorporated in India, none of the directors of the Holding Company and its subsidiary incorporated in India is disqualified as on March 31, 2022 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 over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in Annexure "A".

(g) The Group has not paid remuneration to its directors during the year and hence reporting under provision of Section 197(16) of the Act is not applicable.

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

i. The Group does not have any pending litigations which would impact its financial position in the consolidated financial statements. (Refer Note 41)

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There are no amounts which is required to be transferred to the Investor Education and Protection Fund by the Group.

iv. (a) The respective Managements of the Holding Company and its subsidiary incorporated in India, whose financial statements have been audited under the Act, has represented to us that, to the best of their knowledge and belief, other than as disclosed in the consolidated financial statements, no funds have been advanced or loaned or invested (either from

borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or by any of the such subsidiary to or in any other person or entity, including foreign entities ("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 Holding Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company and its subsidiary incorporated in India whose financial statements have been audited under the Act, has represented that to the best of their knowledge and belief, other than as disclosed in the consolidated financial statements, no funds have been received by the Holding Company and by any of the such subsidiary from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary 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; and

(c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Holding Company and its subsidiary incorporated in India whose financial statements have been audited under the Act, nothing has come to the notice that has caused to believe that the representations under sub-clause (a) and (b) above contain any material misstatement.

v. The Holding Company has not declared or paid dividend during the financial year 2021-22 and hence reporting under Rule 11 (f) of Companies (Audit and Auditors) Rules, 2014 is not applicable.

vi. According to the information and explanations given to us and based on the Companies (Auditor's Report) Order, 2020 ("CARO") issued of holding company and one of the Indian subsidiary included in the consolidated financial statements to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in the respective CARO reports of Holding Company and such Indian subsidiary.

For **Bagaria & Co. LLP**
Chartered Accountants
FRN-**113447W/W-100019**

Vinay Somani
Partner
Membership No: **143503**
UDIN:22143503AJRYEG1342

Place : Mumbai
Date : May 27, 2022

Annexure "A" referred to in "Report on Other Legal and Regulatory Requirements" section of our report to the Members of HOV Services Limited for the year ended March 31, 2022:

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

In conjunction with our audit of the Consolidated Financial Statements of the Group for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of HOV Services Limited ("the Holding Company") and its subsidiary incorporated in India (collectively referred to as 'the Group').

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Group'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 Act.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting includes obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, 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 Group's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Group's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Group's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group; (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 Group are being made only in accordance with authorizations of management and directors of the Group; (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Group's assets that could have a material effect on the consolidated financial statements and (4) also provide us reasonable assurance by the internal auditors through their internal audit reports given to the Group from time to time.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Group has broadly, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **Bagaria & Co. LLP**
Chartered Accountants
FRN - **113447W/W-100019**

Vinay Somani
Partner
Membership No: **143503**
UDIN :22143503AJRYEG1342

Place : Mumbai
Date : May 27,2022

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

(All amounts in INR Thousands, unless otherwise stated)

Particulars	Note No	As At March 31, 2022	As At March 31, 2021
Assets			
Non-current assets			
Property, plant and equipment	2	1,116	2,075
Investment property	3	85,752	87,633
Intangible assets	4	18	35
Right to Use - Assets	5	22,985	8,488
Financial assets			
Investments	6	1,80,928	9,18,896
Other financial assets	7	47,357	11,823
Income tax assets	8	138	456
Deferred tax assets	9	9,786	12,578
Other non-current assets	10	92	98
Current assets			
Financial assets			
Trade receivables	11	51,884	49,497
Cash & cash equivalents	12	13,381	23,436
Other bank balances	13	34,002	46,698
Other financial assets	14	3,345	4,129
Other current assets	15	1,943	3,383
Total assets		**4,52,727**	**11,69,225**
Equity and liabilities			
Equity			
Equity share capital	16	1,25,950	1,25,890
Other equity		1,73,560	8,33,484
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	17	-	6,921
Lease liabilities	18	19,227	4,176
Deferred tax liabilities	21	-	59,025
Current liabilities			
Financial liabilities			
Borrowings	19	6,898	13,455
Lease liabilities	20	4,513	5,195
Trade payables	22		
Total outstanding dues of micro enterprise and small enterprises		835	148
Total outstanding dues of creditors other than micro enterprises and small enterprises		5,997	7,016
Other financial liabilities	23	1,09,569	1,07,561
Other current liabilities	24	1,221	839
Provisions	25	2,333	4,044
Current tax liabilities	26	2,624	1,471
Total equity and liabilities		**4,52,727**	**11,69,225**
Significant accounting policies	1		
The accompanying notes 2 to 51 are an integral part of the consolidated financial statements			

As per our report of even date

For **Bagaria & Co. LLP**
Chartered Accountants
FRN - 113447W/W-100019

Vinay Somani
Partner
M. No. 143503

Place : Mumbai
Date : May 27, 2022

For and on behalf of the Board

Vikram Negi
Chairman & Executive Director
(DIN:01639441)
Place : California, USA
Date : May 27, 2022

Bhuvanesh Sharma
VP-Corporate Affairs
& Company Secretary

Place : Pune
Date : May 27, 2022

Sunil Rajadhyaksha
Executive Director
(DIN:00011683)
Place : San Diego, USA
Date : May 27, 2022

Nilesh Bafna
Chief Financial Officer

Place : Pune
Date : May 27, 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in INR Thousands, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Income			
Revenue from operations	27	1,00,581	96,551
Other income	28	13,433	15,424
Total Income		**1,14,014**	**1,11,975**
Expenditure			
Employee benefits expense	29	62,635	58,115
Finance Cost	30	907	1,176
Depreciation and amortisation expenses	2,4,5	6,230	6,237
Other expenses	31	14,141	15,001
Total Expenditure		**83,913**	**80,529**
Profit/(loss) before tax		**30,101**	**31,446**
Tax expense	32		
Current tax		(8,280)	(7,100)
Deferred tax		(403)	(262)
Relating to earlier years		-	(141)
Profit/(loss) for the year from continuing operations		**21,418**	**23,943**
Discontinued Operations	33		
Profit/(Loss) before tax for the year from discontinued operations		153	1,781
Tax expense of discontinued operations		(81)	-
Profit/(loss) from Discontinued operations (after tax)		**72**	**1,781**
Profit/(loss) for the year		**21,490**	**25,724**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss			
Gain/(Loss) on Remeasurement of net defined benefit plans		(214)	328
Changes in fair value of FVOCI equity instruments		(7,66,751)	6,59,666
Tax impact on above		60,933	(59,116)
Total other comprehensive income		**(7,06,032)**	**6,00,878**
Total comprehensive income		**(6,84,542)**	**6,26,602**
Basic & diluted Earnings Per Share (Face value of Rs. 10 each) :	40		
Continuing Operations		1.70	1.90
Discontinued Operations		0.01	0.14
Continuing and Discontinued Operations		1.71	2.04
Significant accounting policies	1		
The accompanying notes 2 to 51 are an integral part of the consolidated financial statements			

As per our report of even date

For **Bagaria & Co. LLP**
Chartered Accountants
FRN - 113447W/W-100019

Vinay Somani
Partner
M. No. 143503
Place : Mumbai
Date : May 27, 2022

For and on behalf of the Board

Vikram Negi
Chairman & Executive Director
(DIN:01639441)
Place : California, USA
Date : May 27, 2022

Bhuvanesh Sharma
VP-Corporate Affairs
& Company Secretary
Place : Pune
Date : May 27, 2022

Sunil Rajadhyaksha
Executive Director
(DIN:00011683)
Place : San Diego, USA
Date : May 27, 2022

Nilesh Bafna
Chief Financial Officer

Place : Pune
Date : May 27, 2022

Consolidated Statement of Changes in Equity for the year ended March 31, 2022

(All amounts in INR Thousands, unless otherwise stated)

EQUITY SHARE CAPITAL :

Particular	Balance as at March 31, 2020	Changes in equity share capital due to prior period errors	Restated Balance as at March 31, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
	1,25,890	-	1,25,890	-	1,25,890

Particular	Balance as at March 31, 2021	Changes in equity share capital during the year	Restated Balance as at March 31, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
	1,25,890	-	1,25,890	60	1,25,950

OTHER EQUITY :

Particulars	Reserve and Surplus					Other Comprehensive Income		
	Securities Premium on issue of equity shares	Capital Redemption Reserve-created on Buyback of equity shares	General Reserve transferred from retained earnings	Retained earnings	Foreign Exchange Translation Reserve-arising on translation of foreign operations	Remeasure-ments of net defined benefit plans	Equity Instruments	Total
Balance as at March 31, 2020	**6,26,189**	**630**	**19,541**	**48,004**	**4,108**	**358**	**(4,87,376)**	**2,11,454**
Profit/(Loss) for the year	-	-	-	25,724	-	-	-	25,724
Less: Variaition in foreign exchange	-	-	-	-	(16,734)	-	-	(16,734)
Less: Imapct of actuarial Gain/(Loss)	-	-	-	-	-	237	-	237
Less: Changes in fair value of FVOCI equity instruments	-	-	-	-	-	-	6,12,803	6,12,803
Balance as at March 31, 2021	**6,26,189**	**630**	**19,541**	**73,728**	**(12,626)**	**595**	**1,25,427**	**8,33,484**
Balance as at March 31, 2021	**6,26,189**	**630**	**19,541**	**73,728**	**(12,626)**	**595**	**1,25,427**	**8,33,484**
On allotment of equity shares under ESOP	93							93
Profit/(Loss) for the year	-	-	-	21,490	-	-	-	21,490
Less: Variaition in foreign exchange	-	-	-	-	19,902	-	-	19,902
Add: Imapct of actuarial Gain/(Loss)	-	-	-	-	-	(155)	-	(155)
Add: Changes in fair value of FVOCI equity instruments (Refer note 6.1)	-	-	-	-	-	-	(7,01,254)	(7,01,254)
Balance as at March 31, 2022	**6,26,282**	**630**	**19,541**	**95,218**	**7,276**	**440**	**(5,75,827)**	**1,73,560**
Significant accounting policies	1							
The accompanying notes 2 to 51 are an integral part of the consolidated financial statements								

As per our report of even date

For **Bagaria & Co. LLP**
Chartered Accountants
FRN - 113447W/W-100019

Vinay Somani
Partner
M. No. 143503
Place : Mumbai
Date : May 27, 2022

For and on behalf of the Board

Vikram Negi
Chairman & Executive Director
(DIN:01639441)
Place : California, USA
Date : May 27, 2022

Sunil Rajadhyaksha
Executive Director
(DIN:00011683)
Place : San Diego, USA
Date : May 27, 2022

Bhuvanesh Sharma
VP-Corporate Affairs
& Company Secretary
Place : Pune
Date : May 27, 2022

Nilesh Bafna
Chief Financial Officer

Place : Pune
Date : May 27, 2022

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in INR Thousands, unless otherwise stated)

		For the year ended March 31, 2022	For the year ended March 31, 2021
A	**Cash flow from Operating Activities:**		
	Net profit/(loss) before tax & before exceptional items	30,254	33,227
	Add: Net profit/(loss) before tax from discontinued operations	(153)	(1,781)
	Net profit/(loss) before tax & exceptional items from continuing operations	**30,101**	**31,446**
	Add: Adjustments for :		
	Depreciation & amortisation	8,111	8,118
	(Profit)/Loss on sale of Property, plant and equipment	-	(7)
	Interest income	(3,660)	(2,979)
	Rent income (net)	(8,030)	(6,532)
	Finance cost	2,280	4,047
	Provisions no longer required written back	(198)	(5,906)
	Foreign exchange (gain)/loss, net	(1,546)	1,307
	Operating profit before working capital changes	**27,058**	**29,494**
	Adjustments for changes in working capital :		
	(Increase)/decrease in trade receivable	(841)	7,382
	(Increase)/decrease in other receivables	(19,936)	(11,659)
	Increase/(decrease) in trade and other payable	(2,717)	(2,503)
	Cash generated from operations	**3,564**	**22,714**
	Taxes paid (including TDS) (net of refund)	(4,679)	(6,007)
	Net cash from/(used in) operating activities - A	**(1,115)**	**16,707**
B	Cash flow from investing activities:		
	Purchase of property, plant and equipment	-	(53)
	Sale of property, plant and equipment	-	7
	Rent income received (net)	8,030	6,532
	Interest income	3,660	2,979
	Net cash from/(used in) investing activities - B	**11,690**	**9,465**
C	Cash flow from financing activities:		
	Finance cost	(1,373)	(2,871)
	Proceeds from issue of equity shares under ESOP	152	-
	Payment of lease liabilities	(6,151)	(6,344)
	Proceeds/(repayments) of borrowings- net	(13,478)	(11,968)
	Net cash from/(used in) financing activities - C	**(20,850)**	**(21,183)**
	Net increase/(decrease) in cash and cash equivalents from contimuing operations (A+B+C)	**(10,275)**	**4,989**
	Net increase/(decrease) in cash and cash equivalents from discontinued operations	**190**	**(654)**
	Effect of exchange rate changes on cash and cash equivalents	**30**	**(24)**
	Opening cash and cash equivalents	**23,436**	**19,125**
	Closing cash and cash equivalents at the end of the year	**13,381**	**23,436**
	- from continuing operations	11,742	21,987
	- from discontinuing operations	1,639	1,449

1	**Cash Flow from financing activities**		
	Long Term borrowings	**March 31, 2022**	**March 31, 2021**
	Opening Balance	20,376	32,344
	Loan taken / (repaid)	(13,478)	(11,968)
	Closing Balance	**6,898**	**20,376**

Significant accounting policies 1

The accompanying notes 2 to 51 are an integral part of the consolidated financial statements

As per our report of even date

For **Bagaria & Co. LLP**
Chartered Accountants
FRN - 113447W/W-100019

Vinay Somani
Partner
M. No. 143503
Place : Mumbai
Date : May 27, 2022

For and on behalf of the Board

Vikram Negi
Chairman & Executive Director
(DIN:01639441)
Place : California, USA
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Place : San Diego, USA
Date : May 27, 2022

Nilesh Bafna
Chief Financial Officer

Place : Pune
Date : May 27, 2022

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES

Group Overview:

HOV Services Limited ("Holding Company") and its subsidiaries collectively referred to as "the Group" is headquartered in Pune, India and operate as a hybrid between various investment portfolios and a diversified services corporation including data entry services, software development, support services. The Holding Company organize its portfolio companies by industry /by sector with forward-looking goals based on the ultimate benefit to the target customer base and to us as the owners. Environment business of the Group has been discontinued (Refer note 33). The Consolidated financial statements are approved for issue by the Holding Company's Board of Directors on May 27, 2022

The Consolidated Financial Statements relate to HOV Services Limited, (Holding Company) and its subsidiaries and step down subsidiaries. The name, country of incorporation and proportion of ownership interest are as under:

Name	Country of incorporation	Percentage of ownership Interest	
		As at March 31, 2022	As at March 31, 2021
Subsidiaries :			
HOVS Holdings Limited	Hong Kong	100	100
HOVS, LLC	USA	100	100
HOV Environment LLC (Subsidiary of HOVS LLC)	USA	61.10	61.10
HOV Environment Solutions Private Limited (Wholly owned Subsidiary of HOV Environment LLC)	India	61.10	61.10

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, except for the following material items that have been measured at fair value as required by the relevant Ind AS:

- Certain financial assets and liabilities are measured at Fair value (refer accounting policy on financial instruments - Refer note 1.8 below
- Defined Benefit and other Long term Employee Benefits - Refer note 1.9 below

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 Group 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 Group's normal operating cycle of twelve months and other criteria set out in Schedule III to the Companies Act, 2013.Based on the nature of services and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current non-current classification of assets and liabilities.

1.3 BASIS OF PREPARATION OF CONSOLIDATION FINANCIAL STATEMENTS

The consolidated financial statements comprise the financial statements of the Holding Company and its subsidiaries. The Holding Company prepares and report its consolidated financial statements in INR.

Subsidiaries:

Subsidiaries are all entities over which the group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

The group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of controls. Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group losses control of the subsidiary.

Consolidation procedure:

Subsidiary:

a) Combine, on line by line basis like items of assets, liabilities, equity, income, expenses and cash flows of the Holding Company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the Holding Company's investment in each subsidiary and the Holding Company's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Holding company, i.e., year ended on 31 March. When the end of the reporting period of the Holding Company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the Holding Company to enable the it to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Goodwill

Goodwill arising on an acquisition of a business is initially recognized at cost at the date of acquisition. After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any.

1.4 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

Costs that are directly associated with identifiable and unique software products controlled by the Group, developed in-house or acquired, and have probable economic benefits exceeding the cost beyond one year are recognized as software products. Other acquired software meant for in-house consumption are capitalized at the acquisition price.:

Depreciation/amortisation:

Holding Company and Indian Subsidiaries

a) Tangible Assets - Depreciation on property, plant and equipment is provided on a straight line method based on useful life and in the manner prescribed in part C of Schedule II of the Companies Act, 2013 or on Management's estimate of useful life of the assets.

Investment in property is amortized over the period of lease.

b) Intangible Assets - Software product (meant for sale) are amortized over its estimated useful life of 8 years. Other Software products are amortised over its period of license.

Foreign Subsidiaries

Depreciation is provided based on Management's estimate of useful life of the asset which is as under.

Category	Useful Life in years
Plant and Equipment	8 - 10
Furniture and Fixture	10 -16
Office Equipment	3 - 5
Vehicles	8 - 10
Computer	2 - 5
Software Product	3
Goodwill	8

1.5 IMPAIRMENT OF NON FINANCIAL ASSETS

The Group 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 Group estimates the amount of impairment loss. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made.

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 Group 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.

1.6 REVENUE RECOGNITION

Rendering of services:

Revenue from Software and IT Enabled services are recognized when the services are rendered.

The Group derives revenue primarily from Software and IT Enabled Services, maintenance of software/hardware and related services and sale of software licenses. Revenue is recognized to the

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

Sale of licence: Revenue from licence is recognized at the time the license is made available to the customer as "right to access" during the period of access.

Other Income

Interest income is recognized on a time proportionate basis taking into account the amounts invested and the rate of interest. For all financial instruments measured at amortised cost, interest income is recorded using the Effective interest rate method to the net carrying amount of the financial assets.

1.7 FINANCIAL INSTRUMENTS

Financial assets - Initial recognition

Financial assets are recognised when the Group 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. Amortised cost is calculated using the effective interest rate ("EIR") method 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. The losses arising from impairment are recognised in the Statement of Profit and Loss. On derecognition, gain or loss, if any, is recognised to Statement of Profit and Loss.

(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.

For all other equity instruments, the Group may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Group makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument shall be recognised in Statement of Profit and Loss unless the Group has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in the OCI. Amounts recognised in Other Comprehensive Income (OCI) are not subsequently transferred to Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised in Statement of Profit and Loss.

Impairment

The Group recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortised cost and at FVOCI. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable including that which is forward-looking.

The Group'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.

Under simplified approach, the Group does not track changes in credit risk. Rather it recognizes impairment loss allowance based on the lifetime ECL at each reporting date right from its initial recognition. The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables.

The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For financial assets other than trade receivables, the Group 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. If, in a subsequent period, credit quality of the instrument

improves such that there is no longer significant increase in credit risks since initial recognition, then the Group reverts to recognizing impairment loss allowance based on 12 months ECL.

The impairment losses and reversals are recognised in Statement of Profit and Loss. For equity instruments and financial assets measured at FVTPL, there is no requirement for impairment testing.

De-recognition

The Group de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Financial Liabilities

Initial Recognition and measurement

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

The Group's financial liabilities includes trade and other payables, loans and borrowings including bank overdrafts and derivative instruments.

Subsequent measurement

Financial liabilities measured at amortised cost are subsequently measured at using 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.

Loans & Borrowings:

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using EIR method. Gains and losses are recognized in profit & loss when the liabilities are derecognized as well as through EIR amortization process.

Financial Guarantee Contracts

Financial guarantee contracts issued by the Group are those contracts that requires a payment to be made or to reimburse the holder for a loss it incurs because the specified debtors fails to make payment when due in accordance with the term of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

Subsequently the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative adjustments.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on

substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Derivative financial instruments & hedge accounting

The Group uses derivative financial instruments, such as forward foreign exchange contracts, interest rate swaps, cross currency interest risk swap to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value, with changes in fair value recognised in Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Group designates their derivatives as hedges of foreign currency risk associated with the cash flows of highly probable forecast transactions and variable interest rate risks associated with the borrowings.

The Group documents at the inception of hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset cash flow of hedged items. The Group documents its risk management objective and strategy for undertaking various hedge transaction at the inception of each hedge relationship.

Cash flows hedge that qualify for the hedge accounting

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit & loss, except for the effective portion of cash flow hedge which is recognized in other comprehensive income and presented as separate component of equity which is later reclassified to statement of profit & loss when the hedge item affects profit & loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

1.8 FAIR VALUE MEASUREMENT:

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ✓ In the principal market for the asset or liability, or
- ✓ In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ✓ Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ✓ Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ✓ Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.9 EMPLOYEE BENEFITS

The Group has provides following post-employment plans such as:

(a) Defined benefit plans such a gratuity and

(b) Defined contribution plans such as Provident fund

a) Defined-benefit plan:

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of plan assets. The defined benefit obligations is calculated annually by actuaries through actuarial valuation using the projected unit credit method.

The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

(a) Service costs comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements; and

(b) Net interest expense or income

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in employee benefit expenses in the statement of the profit & loss.

Re-measurement comprising of actuarial gains and losses arising from

(a) Re-measurement of Actuarial(gains)/losses

(b) Return on plan assets, excluding amount recognized in effect of asset ceiling

(c) Re-measurement arising because of change in effect of asset ceiling

are recognised in the period in which they occur directly in Other comprehensive income. Re-measurement are not reclassified to profit or loss in subsequent periods.

Ind AS 19 requires the exercise of judgment in relation to various assumptions including future pay rises, inflation and discount rates and employee and pensioner demographics. The Group determines the assumptions in conjunction with its actuaries, and believes these assumptions to be in line with best practice, but the application of different assumptions could have a significant effect on the amounts reflected in the income statement, other comprehensive income and balance sheet. There may be also interdependency between some of the assumptions.

b) Defined-contribution plan:

Under defined contribution plans, provident fund, the Group pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. Defined Contribution plan comprise of contributions to the Employees' Provident Fund with the government, superannuation fund and certain state plans like Employees' State Insurance and Employees' Pension Scheme. The Group's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.

c) Other employee benefits:

(a) Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation as at the Balance sheet date determined based on an actuarial valuation.

(b) Undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the related services.

d) Expenses incurred towards voluntary retirement scheme are charged to the statement of profit and loss as and when incurred.

e) Other benefits comprising of discretionary long service awards are recognized as and when determined.

1.10 LEASES

LESSEE:

The Group, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Group has substantially all of the economic benefits from use of the asset and has right to direct the

use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For short-term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the lease term

LESSOR :

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

1.11 FOREIGN CURRENCY TRANSACTIONS

a) Initial Recognition

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss of the year.

b) Measurement of Foreign Currency Items at the Balance Sheet Date

Foreign currency monetary items of the Group are restated at the closing exchange rates. Non monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these transactions are charged to the Statement of Profit and Loss.

c) Foreign currency translation

Assets and liabilities of the entities with functional currency other than the presentation currency havebeen translated to the presentation currency using exchange rates prevailing on the balance sheet date. The statement of profit and loss has been translated using monthly average exchange rates prevailing during the year. Translation adjustment have been reported as foreign currency translation reserve in the statement of changes in equity.

1.12 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.

Current tax is based on taxable profit for the year. Taxable profit is different from accounting profit due to temporary differences between accounting and tax treatments, and due to items that are never taxable or tax deductible. Tax provisions are included in current liabilities. Interest and penalties

on tax liabilities are provided for in the tax charge. The Group offsets, the current tax assets and liabilities (on a year on year basis) where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis or to realise the assets and liabilities on net basis.

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. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income-tax during the specified period. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal income-tax during the specified period.

1.13 PROVISIONS AND CONTINGENCIES

A provision is recognised if, as a result of a past event, the Group 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 Group 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.

1.14 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.

1.15 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 Group are segregated.

1.16 BORROWING COST

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of Cost of that assets, during the period till all the activities necessary to prepare the Qualifying assets for its intended use or sale are complete during the period of time that is required to complete and prepare the assets for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

1.17 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.

1.18 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker (CODM).

The Executive Director/Decision Maker evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments.

The Group has identified its Executive Director as CODM which assesses the operational performance and position of the Group and makes strategic decisions (Refer note 43).

1.19 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 Group for the year, the nature and amount of such items is disclosed as exceptional items.

1.20 RECENT ACCOUNTING PRONOUNCEMENTS:

The Ministry of Corporate Affairs ("MCA") notifies new standards / amendments under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23rd March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below :

(a) Ind AS 16 - Property, plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit

or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2022.

(b) Ind AS 37 - Provisions, contingent liabilities and contingent assets - The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2022, although early adoption is permitted.

(c) Ind AS 103 - Business combinations - The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities.

(d) Ind AS 109 - Financial instruments - The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The Group is in the process of evaluating the impact of these amendments.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts in INR Thousands, unless otherwise stated)

2

Property, Plant and Equipment	Computers	Furniture and Fixtures	Vehicles	Office Equipment	Total
Gross carrying amount					
Balance as at March 31, 2020	**3,119**	**7**	**2,546**	**412**	**6,084**
Additions	-	-	-	-	-
Deductions/ Adjustment	(230)	-	-	(3)	(233)
Balance as at March 31, 2021	**2,889**	**7**	**2,546**	**409**	**5,851**
Accumulated Depreciation					
Balance as at March 31, 2020	**1,725**	**6**	**875**	**358**	**2,965**
Additions	715	1	305	23	1,044
Deductions/ Adjustment	(230)	-	-	(3)	(233)
Balance as at March 31, 2021	**2,210**	**7**	**1,180**	**378**	**3,776**
Net carrying amount as at March 31, 2020	**1,394**	**1**	**1,671**	**54**	**3,119**
Net carrying amount as at March 31, 2021	**679**	**-**	**1,366**	**31**	**2,075**
Gross carrying amount					
Balance as at March 31, 2021	**2,889**	**7**	**2,546**	**409**	**5,851**
Additions	-	-	-	-	-
Deductions/ Adjustment	(79)	-	-	(130)	(209)
Balance as at March 31, 2022	**2,810**	**7**	**2,546**	**279**	**5,642**
Additions					
Accumulated Depreciation					
Balance as at March 31, 2021	**2,210**	**7**	**1,180**	**378**	**3,776**
Additions	636	-	305	18	959
Deductions/ Adjustment	(79)	-	-	(130)	(209)
Balance as at March 31, 2022	**2,767**	**7**	**1,485**	**266**	**4,526**
Net carrying amount as at March 31, 2021	**679**	**-**	**1,366**	**31**	**2,075**
Net carrying amount as at March 31, 2022	**43**	**-**	**1,061**	**13**	**1,116**

3

Particulars	As at March 31, 2022	As at March 31, 2021
Investment property		
Investment property (at cost)		
Leasehold office premises*	**1,03,466**	**1,03,466**
Less : Accumulated amortisation :		
Opening balance	(15,833)	(13,952)
Add : Amortisation for the year	(1,881)	(1,881)
Total Accumulated amortisation	**(17,714)**	**(15,833)**
Total	**85,752**	**87,633**

* Lease period is 60 years beginning from November 22, 2007 and also refer note no 45 for assets provided as security

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts in INR Thousands, unless otherwise stated)

4. Intangible Assets

Software Product*	Other Softwares	Total
		Gross carrying amount
400	**1,123**	**1,523**
-	53	53
-	(237)	(237)
400	**939**	**1,339**
		Accumulated Depreciation
400	**1,123**	**1,523**
-	18	18
-	(237)	(237)
400	**904**	**1,304**
-	**-**	**-**
-	**35**	**35**
		Gross carrying amount
400	**939**	**1,339**
-	-	-
-	-	-
400	**939**	**1,339**
		Additions
		Accumulated Depreciation
400	**904**	**1,304**
-	18	18
-	-	-
400	**922**	**1,322**
-	35	35
-	18	18

*meant for license sale or otherwise

5 Right to Use-Assets

Particular	Right to Use-Lease*	Total
Balance as at March 31, 2020	**14,947**	**14,947**
Additions: Reclassified as per IND AS 116	3,497	3,497
Deductions/ Adjustment	(297)	(297)
Balance as at March 31, 2021	**18,147**	**18,147**
Balance as at March 31, 2020	**4,484**	**4,484**
Additions	5,175	5,175
Deductions/ Adjustment	-	-
Balance as at March 31, 2021	**9,659**	**9,659**
Net carrying amount as at March 31, 2020	**10,463**	**10,463**
Net carrying amount as at March 31, 2021	**8,488**	**8,488**
Balance as at March 31, 2021	**18,147**	**18,147**
Additions for the year	20,249	20,249
Deductions/ Adjustment	(499)	(499)
Balance as at March 31, 2022	**37,897**	**37,897**
Balance as at March 31, 2021	**9,659**	**9,659**
Additions	5,253	5,253
Deductions/ Adjustment	-	-
Balance as at March 31, 2022	**14,912**	**14,912**
Net carrying amount as at March 31, 2021	8,488	8,488
Net carrying amount as at March 31, 2022	22,985	22,985

*Refer note 44

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts in INR Thousands, unless otherwise stated)

	Particulars	As at March 31, 2022	As at March 31, 2021
6	**Investments -non current**		
	Other Investment (FVOCI)		
	Trade - Quoted (listed on Nasdaq)		
	In Equity instruments		
	- Exela Technologies, Inc - USA (Refer note 6.1 below)		
	No of Shares	57,34,490	57,34,490
	% of Holding	1.1%	9.9%
	Opening balance	9,18,896	2,65,864
	Add: Further shares acquired	-	-
	Add :Fair value Gain recognised through OCI	(7,66,751)	-
	Less: Sale/Fair value loss recognised through OCI	-	6,59,666
	Add/(Less): Foregin exchange variation	28,783	(6,634)
	Total	**1,80,928**	**9,18,896**
	Aggregate market value of quoted investments	1,80,928	9,18,896

6.1 The Group holds 5,734,490 shares, representing 1.1% stake having quoted fair value of Rs. 1809.28 lakhs as on March 31, 2022 (representing 9.9% stake having quoted fair value of Rs. 9,188.96 lakhs as on March 31, 2021) of Exela Technologies, Inc. (Listed on NASDAQ, "Exela"). The said investment in Equity is a financial instrument designated as Fair Value through Other Comprehensive Income (FVOCI), however, is not to be reclassified to profit and loss subsequently and accordingly, the change in fair value is recognised net off deferred tax in Other Comprehensive Income. Subsequent to the year end, on April 18, 2022 Exela has offered to exchange, for each 20 shares of Common Stock tendered, stock holder will receive one share of Series B1 Cumulative Convertible Perpetual Preferred Stock ("B1 Preferred Stock"), with liquidation preference of US $ 25.

B1 Preferred stock will have the following terms:

- The holders of Series B1 Preferred Stock on all matters submitted to a vote of the stockholders of the Exela will vote with the Common Stock as a single class.

- Holders of shares the Series B1 Preferred Stock will be entitled to receive, dividends, cumulative dividends at the rate of 6.00% per annum of the $25.00 liquidation amount per share, if authorized by board of directors of Exela

- The B1 Preferred Stock will rank senior to the Series B Preferred Stock upon liquidation and in the right to receive dividends.

- B1 Preferred Stock holder will have the option to convert some or all of the outstanding shares into shares of Common Stock

- B1 Preferred Stock would be listed on NASDAQ Capital Market

Group had tendered 5,712,120 Shares of Common stock and received 285,606 No of B1 Preferred Stock in exchange.

7	**Other financial assets - Non current**		
	Deposits for premises and others	1,461	1,461
	Advance to employees	-	246
	Fixed deposits with banks having matuirty more than one year	45,896	10,116
	Total	**47,357**	**11,823**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in INR Thousands, unless otherwise stated)

	Particulars	As at March 31, 2022	As at March 31, 2021
8	**Income tax assets**		
	Advance Tax and TDS	138	456
	Total	**138**	**456**
9	**Deferred tax assets**		
	Deferred tax asset (Refer Note 32)	871	1,215
	MAT credit receivable	8,915	11,363
	Total	**9,786**	**12,578**
10	**Other non current assets**		
	Prepaid expenses	92	98
	Total	**92**	**98**
11	**Trade receivables***		
	Trade Receivables-Unsecured-considered good	51,884	49,497
	Trade Receivables which have significant increase in Credit Risk	-	-
	Trade Receivables - credit impaired	-	-
	Total	**51,884**	**49,497**

*Refer note no: 35 for trade receivables aging and refer note no: 43 for Due from related parties

12	**Cash and cash equivalents**		
	Balance with banks in current accounts	1,766	1,563
	Cash on hand	15	23
	Fixed deposits with Banks	11,600	21,850
	Total	**13,381**	**23,436**
13	**Other bank balances**		
	Fixed Deposit with banks (earmarked)*	1,069	1,069
	Fixed deposits with banks (others)	32,900	45,600
	Employee benefits Trust accounts	33	29
	Total	**34,002**	**46,698**

* Pledged with banks against credit facilities taken by a step down subsidiary and refer note no 45 for assets provided as security.

14	**Other financial assets - Current**		
	Advance to Employees	338	562
	Interest accrued but not due on fixed deposits	3,007	3,567
	Total	**3,345**	**4,129**
15	**Other current assets**		
	Advances to suppliers	236	337
	Goods and Service tax receivable	1,003	2,316
	Prepaid expenses	607	730
	Unbilled Revenue	97	-
	Total	1,943	3,383

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in INR Thousands, unless otherwise stated)

	Particulars	As at March 31, 2022	As at March 31, 2021
16	**Equity Share Capital**		
	Authorised		
	30000000 Equity Shares of Rs.10 each	3,00,000	3,00,000
	Total	**3,00,000**	**3,00,000**
	Issued, subscribed and paid up		
	12594972 (previous year 12588972) Equity Shares of Rs. 10 each fully paid up	1,25,950	1,25,890
	Total	**1,25,950**	**1,25,890**

The reconciliation of the number of equity shares outstanding	As At March 31, 2022		As At March 31, 2021	
	Numbers	Amount	Numbers	Amount
Equity Shares at the beginning of the year	12588972	1,25,890	12588972	1,25,890
Add: Equity shares issued during the year	6000	60	-	-
Equity Shares at the end of the year	**12594972**	**1,25,950**	**12588972**	**1,25,890**

Terms/rights attached to Equity shares :

The Holding Company has only one class of equity shares having a par value of Rs. 10 each. Each shareholder has right to vote in respect of such share, on every resolution placed before the Holding Company and his voting right on a poll shall be in proportion to his share of the paid–up equity capital of the Holding Company. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Holding Company after payments to preferential amounts secured and unsecured creditors, if any, in proportion to their shareholding.

The details of Shareholders holding more than 5% shares:

Name of the Shareholders	As At March 31, 2022		As At March 31, 2021	
	No. of Shares	% of Holding	No. of Shares	% of Holding
ADESI 234, LLC	3000985	23.83%	3000985	23.84%
HOF 2 LLC	1667933	13.24%	1667933	13.25%
Chitale LLC	786224	6.25%	786224	6.25%
Stern Capital Partners LLC	694246	5.51%	694246	5.51%

The details of promoters holding :

Name of the Promoters	As At March 31, 2022		As At March 31, 2021	
	No. of Shares	% of Holding	No. of Shares	% of Holding
ADESI 234 LLC	3000985	23.83%	3000985	23.84%
HOF2 LLC	1667933	13.24%	1667933	13.25%
Stern Capital Partners LLC	694246	5.51%	694246	5.51%
SUNIL VASANT RAJYADHYAKSHA	588720	4.67%	588720	4.68%
GENERAL PACIFIC LLC	214273	1.70%	214273	1.70%
SURINDER RAMETRA	120000	0.95%	120000	0.95%
ANIL VASANT RAJADHYAKSHA	25422	0.20%	25422	0.20%
PARVINDER S CHADHA	38250	0.30%	38250	0.30%
	6349829	**50.42%**	**6349829**	**50.44%**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in INR Thousands, unless otherwise state.)

In the Period of five years immediately preceding March, 2022:

The Holding Company has not allotted any equity shares as fully paid up without payment being received in cash or as Bonus Shares or Bought back any equity shares.

Shares reserved for issue under options:

Employees Stock Option Plan (Plan 2007):

The shareholders in its Nineteenth Annual General meeting held on July 21, 2007 had approved to issue 1,100,000 equity shares of a face value of Rs. 10 each with each such option conferring a right upon the employee to opt for one equity share of the Holding Company, in terms of HOVS ESOP Plan 2007. Under the plan, 400,000 options were reserved for employees of the Holding Company and 700,000 for employees of subsidiary companies. Options were issued to employees at an exercise price not less than closing price of the stock exchange where there is highest trading volume, prior to the date of meeting of the Compensation & Remuneration Committee in which options are granted. The options will vest in a phased manner within five years as 10% in each first to four years and balance 60% at the end of fifth year.

Particulars	As At March 31, 2022		As At March 31, 2021	
	Directors	Others	Directors	Others
Options outstanding at the beginning of the year	**15000**	**14000**	**15000**	**14000**
Add: Options Granted during the year	-	-	-	-
Less: Options Lapsed/forfeited	9000	14000	-	-
Less: Shares allotted on option exercised during the year	6000	-	-	-
Options outstanding at the end of the year	**-**	**-**	**15000**	**14000**

The following is the call option value of the ESOP on the date of Grant using the Black Scholes Model with the following assumptions :

Particulars	As At March 31, 2022	As At March 31, 2021
Share price Rs		59.60
Range of Exercise Price	No options	Rs. 25.40-85.35
Expected volatility %	outstanding	54.25
Expected life of the options (years)	as at March 31,	1 year
Expected Dividend %	2022	Not applicable
Risk Free Interest Rate %		6.37
Range of call option value as on date of Grant		Rs. 55.16-109.49

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in INR Thousands, unless otherwise stated)

	Particulars	As at March 31, 2022	As at March 31, 2021
17	**Borrowings**		
	Secured		
	Term loan from a bank	6,898	20,376
	Less : Current maturities of long term loans	(6,898)	(13,455)
	Total	**-**	**6,921**

* Presently having floating interest rate of 10% p.a. (previous year 10.3% p.a. and to be payable in remaining 6 (previous year 18) equal installments of Rs 1,244 thousands and Secured by way of deposit of title deeds of investment property)

18	**Other Financial Liabilities- Non current**		
	Lease liabilities (Refer note 44)	19,227	4,176
	Total	**19,227**	**4,176**
19	**Borrowings**		
	Current maturities of long term borrowings	6,898	13,455
	Total	**6,898**	**13,455**
20	**Lease Liabilities**		
	Current maturities of lease liabilities (Refer note 44)	4,513	5,195
	Total	**4,513**	**5,195**
21	**Deferred Tax liabilities**		
	Deferred Tax Liabilities	-	59,025
	Total	**-**	**59,025**
22	**Trade payables**		
	Total outstanding dues of micro enterprise and small enterprises	835	148
	Total outstanding dues of creditors other than micro enterprises and small enterprises	5,997	7,016
	Total	**6,832**	**7,164**

Note:

1 *Refer note no: 36 for trade payable aging & Refer note no: 43 for related party balances

2 The Group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows:

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in INR Thousands, unless otherwise stated)

Particulars	As At March 31, 2022	As At March 31, 2021
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	835	148
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

23	**Other financial liabilities**		
	Interest accrued but not due on borrowings	39	119
	Security deposits towards office premises	2,650	2,636
	Advance from related parties	1,06,880	1,03,635
	Unearned revenue	-	1,171
	Total	**1,09,569**	**1,07,561**

24	**Other current liabilities**		
	Statutory dues payable	1,221	839
	Total	**1,221**	**839**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in INR Thousands, unless otherwise stated)

	Particulars	As At March 31, 2022	As At March 31, 2021
25	**Provisions**		
	Provision for employee benefits:		
	Compensated Absences	1,234	1,805
	Gratuity (Refer note 39)	1,099	2,239
	Total	**2,333**	**4,044**
26	**Current tax liabilities**		
	Provision for Income tax (Net of advance tax paid of Rs 5971 Thousands; Previous year Rs 5,629 Thousands)	2,624	1,471
	Total	**2,624**	**1,471**

	Particular	For the year ended March 31, 2022	For the year ended March 31, 2021
27	**Revenue from operations**		
	Software and IT enabled services	1,00,581	96,551
	Total	**1,00,581**	**96,551**
28	**Other income**		
	Interest income	3,660	2,979
	Provisions no longer required written back	198	5,906
	Gain on Variation in Foreign Exchange Rates (Net)	1,546	-
	Profit on sale of Property, Plant and Equipment	-	7
	Rent received	11,284	11,284
	Less: expenses attributed to rental income :		
	Finance cost	(1,373)	(2,871)
	Amortisation	(1,881)	(1,881)
	Net rental income	**8,030**	**6,532**
	Total	**13,433**	**15,424**
29	**Employee benefits expense**		
	Salaries and wages	55,663	51,556
	Contributions to provident and other funds	5,951	5,906
	Staff welfare expenses	1,021	653
	Total	**62,635**	**58,115**
30	**Finance Cost**		
	Interest component of lease liabilities (Refer note 44)	907	1,176
	Total	**907**	**1,176**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in INR Thousands, unless otherwise stated)

	Particular	For the year ended March 31, 2022	For the year ended March 31, 2021
31	**Other expenses**		
	Repairs & maintenance - building	1,459	1,290
	Repairs & maintenance - computers	136	82
	Repairs & maintenance - others	253	245
	Insurance	119	127
	Rates and taxes	300	431
	Power & fuel expenses	1,334	1,330
	Membership & subscription fees	461	579
	Travelling & conveyance expenses	311	23
	Communication cost	1,716	1,378
	Advertising & publicity expenses	213	250
	Office upkeep & maintenance expenses	2,696	3,290
	Legal & professional charges	1,543	1,322
	Directors sitting fees	1,560	1,470
	Loss on Variation in Foreign Exchange (Net)	-	1,307
	Auditors Remuneration (refer note 46)	920	920
	Listing Fees	693	694
	Office, Administrative & Other Expenses	427	263
	Total	**14,141**	**15,001**

	Particulars	2021-22	2020-21
32	**Income Taxes**		
	Tax expense recognised in the statement of profit and loss:		
	Current tax	8,280	7,100
	Deferred Tax	403	262
	Total tax expense	**8,683**	**7,362**

A reconciliation of the income tax amount between the enacted income tax rate and the effective income tax of the Group is as follows :

Enacted income tax rate in India	27.82%	27.82%
Profit /(loss) before tax and OCI	30,101	31,446
Income tax as per above rate	8,374	8,748
Adjustments:		
Income of a foreign subsidiary not liable for tax	-	(1,612)
Impact of IND AS 116 - Lease rent classified as Right to Use assets and lease liability	(1)	(38)
Other reconciling items	310	264
Income tax as per statement of profit and loss	**8,683**	**7,362**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in INR Thousands, unless otherwise stated)

The following movement is in deferred tax assets and liabilities during the year ended March 31, 2021 and March 31, 2022 is as under:

Particulars	As at March 31, 2020	(Credit)/ charge for the year	As at March 31, 2021
Deferred tax assets			
Amount allowable on payment basis-employee Benefits	1,569	(444)	1,125
Differences in written down value of Property, Plant and Equipment	-	90	90
MAT credit Entitlement	14,820	(3,457)	11,363
Total deferred tax asset	**16,389**	**(3,811)**	**12,578**
Deferred tax liability :			
Differences in written down value of property plant & equipments	(1)	1	-
Total deferred tax liability	**(1)**	**1**	**-**
Net Deferred tax asset recognised in the Balance Sheet	**16,388**	**(3,810)**	**12,578**

Particulars	As at March 31, 2021	(Credit)/charge for the year	As at March 31, 2022
Deferred tax assets :			
Amount allowable on payment basis-employee benefits	1,125	(476)	649
Differences in written down value of Property, Plant and Equipment	90	132	222
MAT credit Entitlement	11,363	(2,448)	8,915
Total deferred tax asset	**12,578**	**(2,792)**	**9,786**
Deferred tax liability :	**-**		
Differences in written down value of property plant & equipments	-	-	-
Total deferred tax liability	**-**	**-**	**-**
Net Deferred tax asset recognised in the Balance Sheet	**12,578**	**(2,792)**	**9,786**

Deferred tax impact of OCI related to profit on divestment and changes in fair value of FVOCI equity instruments.

Particulars	As at March 31, 2020	(Credit)/charge for the year	As at March 31, 2021
Deferred tax liabilities			
Fair valuation of financial assets -Equity instruments	-	59,025	59,025
Total deferred tax liability	**-**	**59,025**	**59,025**
Deferred tax assets	-	-	-
Total deferred tax asset	**-**	**-**	**-**
Net Deferred tax liability recognised in Balance Sheet	**-**	**59,025**	**59,025**

Particulars	As at March 31, 2021	(Credit)/charge for the year	As at March 31, 2022
Deferred tax liabilities :			
Fair valuation of financial assets -Equity instruments	59,025	(59,025)	-
Total deferred tax liability	**59,025**	**(59,025)**	**-**
Deferred tax assets :-	**-**	-	
Total deferred tax asset	**-**	**-**	**-**
Net Deferred tax liability recognised in Balance Sheet	**59,025**	**(59,025)**	**-**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in INR Thousands, unless otherwise stated)

33 Discontinued operations

The Group's Environment business is disclosed as discontinued operations in terms of IND AS 105- "Non-current Assets Held for Sale and Discontinued Operations". The details thereof are as under :

Particulars	For The Year Ended March 31, 2022	For The Year Ended March 31, 2021
Total Income	1,045	1,844
Total Expenses	892	63
Profit/(Loss) before tax	153	1,781
Tax Expenses	(81)	-
Profit/(Loss) after tax	72	1,781

34 Financial Instruments

The Group 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.

The carrying amounts and fair values of financial instruments by category are as follows:

A Financial assets

Particulars	Note No.	Instruments carried at fair value		Instruments carried at amortised cost		Total fair value
		At cost	FVOCI Level 1	Carrying amount	Total carrying amount	
As at March 31, 2021						
Investment	6	-	9,18,896	-	9,18,896	9,18,896
Trade receivables	11	-	-	49,497	49,497	49,497
Cash & cash equivalents	12	-	-	23,436	23,436	23,436
Other bank balances	13	-	-	46,698	46,698	46,698
Other financial assets	7, 14	-	-	15,952	15,952	15,952
Total		**-**	**9,18,896**	**1,35,583**	**10,54,479**	**10,54,479**
As at March 31, 2022						
Investment	6	-	1,80,928	-	1,80,928	1,80,928
Trade receivables	11	-	-	51,884	51,884	51,884
Cash & cash equivalents	12	-	-	13,381	13,381	13,381
Other bank balances	13	-	-	34,002	34,002	34,002
Other financial assets	7, 14	-	-	50,702	50,702	50,702
Total		**-**	**1,80,928**	**1,49,969**	**3,30,897**	**3,30,897**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in INR Thousands, unless otherwise stated)

B Financial liabilities

Particulars	Note No.	Instruments carried at fair value		Instruments carried at amortized cost		Fair value
		FVTPL	Total carrying amount and fair value	Carrying amount	Total carrying amount	
As at March 31, 2021						
Non-current liabilities-Financial liabilities						
Borrowings	17	-	-	6,921	6,921	6,921
Lease liabilities	18	-	-	4,176	4,176	4,176
Current liabilities-Financial liabilities						
Borrowings	19	-	-	13,455	13,455	13,455
Lease liabilities	20			5,195	5,195	5,195
Trade payables	22					
Total outstanding dues of micro enterprise and small enterprises		-	-	148	148	148
Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	7,016	7,016	7,016
Other financial liabilities	23	-	-	1,07,561	1,07,561	1,07,561
Total		**-**	**-**	**1,33,375**	**1,33,375**	**1,33,375**

B Financial liabilities

Particulars	Note No.	Instruments carried at fair value		Instruments carried at amortized cost		Fair value
		FVTPL	Total carrying amount and fair value	Carrying amount	Total carrying amount	
As at March 31, 2022						
Non-current liabilities-Financial liabilities						
Borrowings	17	-	-	-	-	-
Lease liabilities	18	-	-	19,227	19,227	19,227
Current liabilities-Financial liabilities					-	
Borrowings	19	-	-	6,898	6,898	6,898
Lease liabilities	20			4,513	4,513	4,513
Trade payables	22					
Total outstanding dues of micro enterprise and small enterprises		-	-	835	835	835
Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	5,997	5,997	5,997
Other financial liabilities	23	-	-	1,09,569	1,09,569	1,09,569
Total		**-**	**-**	**1,27,812**	**1,27,812**	**1,27,812**

35 Trade Receivables aging

Particulars	As at March 31, 2022 Outstanding for following periods from due date of transactions					
	"Less than "6 months"	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables –considered good	51,884	-	-	-	-	51,884
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables –credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**51,884**	**-**	**-**	**-**	**-**	**51,884**

Particulars	As at March 31, 2021 Outstanding for following periods from due date of transactions					
	"Less than "6 months"	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables –considered good	49,497	-	-	-	-	49,497
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables –credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**49,497**	**-**	**-**	**-**	**-**	**49,497**

36 Trade payable ageing schedule :

	As at March 31, 2022 ParticularsOutstanding for following periods from due date of transactions				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	835	-	-	-	835
(ii) Others	5,997	-	-	-	5,997
(iii) Disputed Dues-MSME	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-
Total	**6,832**	**-**	**-**	**-**	**6,832**

	As at March 31, 2021 ParticularsOutstanding for following periods from due date of transactions				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	148	-	-	-	148
(ii) Others	7,016	-	-	-	7,016
(iii) Disputed Dues-MSME	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-
Total	**7,164**	**-**	**-**	**-**	**7,164**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts in INR Thousands, unless otherwise stated)

37 Risk Management

Financial risk management objectives and policies

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's activity expose it to market risk, liquidity risk, commodity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Group, The Group's financial risk management policy is set by the Chairman along with CFO and governed by overall directions of Board of Directors of the Group.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

S.No	Risk	Exposure arising from	Measurement	Management
A	Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis Credit ratings	Diversification of bank deposits, credit limits.
B	Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of bank deposits and timely receipt.
C	Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Closely tracks movement of rate changes with the bank.
D	Market risk – foreign exchange	Future commercial transactions recognised financial assets and liabilities not denominated in INR.	Sensitivity analysis	Management tracks foreign currency movements closely
E	Investment risk	Investments	Value of investment	Management of the Group keeps constant liaison and necessary information on timely basis.

A. Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Group periodically assesses financial reliability of customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivable. Individual credit period and limits are set accordingly. The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information to decide on this such as:

i) Actual or expected significant adverse changes in business

ii) Actual or expected significant changes in the operating results of the counterparty

iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations

iv) Significant increase in credit risk on other financial instruments of the same counterparty.

The Group categorises financial assets based on the assumptions, inputs and factors specific to the class of financial assets into High-quality assets, negligible credit risk; Quality assets, low credit risk; Standard assets, moderate credit risk; Substandard assets, relatively high credit risk; Low quality assets, very high credit risk; Doubtful assets, credit-impaired.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
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Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than one year past due. Where loans or receivables have been written off, the Group continues engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

Trade receivables under simplified approach is as under :

Due from the date of invoice	As At March 31, 2022	As At March 31, 2021
0-12 months	51,884	49,497
beyond 12 months	-	-
Total	**51,884**	**49,497**

B. Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time, or at a reasonable price. The Group's liquidity, funding as well as settlement management processes policies and such related risk are overseen by management. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

Financing arrangements

Contractual maturity patterns of borrowings

Particulars	As At March 31, 2022		
	0-1 years	1-5 years	Total
Long term borrowings (Including current maturity of long tern debt) As at March 31, 2022	6,898	-	**6,898**
As at March 31, 2021	13,455	6,921	**20,376**

Contractual maturity patterns of Financial Liabilities

Particulars	As At March 31, 2022 0-12 Months	As At March 31, 2021 0-12 Months
Trade Payable	6,832	7,164
Other financial liabilities	1,09,569	1,07,561
Total	**1,16,401**	**1,14,725**

C. Market risk-interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Group's position with regards to interest income and interest expenses and to manage the interest rate risk, Group performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Exposure to interest rate risk

Particulars	As At March 31, 2022	As At March 31, 2021
Borrowings bearing variable rate of interest	6,898	20,376

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts in INR Thousands, unless otherwise stated)

Interest rate sensitivity

A change of 50 bps in interest rates would have following Impact on profit before tax

Particulars	2021-22	2020-21
50 bp increase- decrease in profits	(68)	(132)
50 bp decrease- Increase in profits	68	132

D. Market risk-foreign currency risk

The Group accrue all of its revenue in US Dollars and its expenditure is incurred in the Indian Rupees. Therefore there is risk exposure due to adverse fluctuation of exchange rate between the US Dollar and the Indian Rupees. In order to mitigate the risk the management tracks foreign currency movement closely.

Foreign currency exposure

Particulars	USD in Thousands		₹ In INR	
	2021-22	2020-21	2021-22	2020-21
Open Foreign Exchange Exposures - Receivable	$684	$673	₹ 51,884	₹ 49,497

Foreign currency risk sensitivity

A change of 1% in foreign currency exchange rate would have following impact on loss for the year:

Particulars	2021-22		2020-21	
	1% Increase	1% decrease	1% Increase	1% decrease
US$ to Indian ₹	519	(519)	495	(495)
Increase / (decrease) in profit or loss	**519**	**(519)**	**495**	**(495)**

Derivative financial instruments

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

E. Covid Risk:

Due to re-surge in global outbreak of Covid -19, a pandemic, operations of the Group were impacted. The Group is providing work from home facility to its employees in compliance with guidelines issued by the respective authorities. The Group has assessed the recoverability of financial investments of Rs. 180,928 Thousands and trade receivables measured at amortised cost of Rs. 51,884 Thousands, the Group does not anticipate any material financial or operational issues in the short term as well as on a long term basis. The impact of the global health pandemic may be different from that estimated as at the date of approval of these Consolidated financial statements. Considering the continuing uncertainties, the Group will continue to closely monitor any material changes to future economic conditions.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts in INR Thousands, unless otherwise stated)

38 Capital risk management

A The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital The Group monitors capital on the basis of the following debt equity ratio:

Particulars	**0-12 Months As At**	
	March 31, 2022	**March 31, 2021**
Debt including interest free advance from a related party	1,13,778	1,24,011
Total Equity	2,99,510	9,59,374
Debt to Total Equity	**0.38**	**0.13**

Group believes in conservative leverage policy. Its debt equity ratio is lower than the industry average.

Group's moderate capex plan over the medium term shall be largely funded through internal accruals and suppliers credit.

The Group is committed to become virtual debt free Group in a year which shall further improve its capital structure.

B The Group follows the policy as decided by Board of directors considering financial performance, available resources, other internal and external factors and upon recommendation from Audit Committee for the declaration of dividend.

39 Disclosure pursuant to Ind AS - 19 "employee benefits"

i) Gratuity: In accordance with the applicable laws, the Group provides for gratuity, a defined benefit retirement plan ("The Gratuity Plan") covering eligible employees. The gratuity plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the gratuity plan are determined by actuarial valuation on the reporting date and the Group makes annual contribution to the gratuity fund administered by life Insurance companies under their respective group gratuity schemes.

The disclosure in respect of the defined gratuity plan are given below :

A. Balance sheet **Defined benefit plans**

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Present value of plan liabilities	7,009	6,688
Less Fair value of plan assets	5,910	4,448
Asset/(Liability) recognised	(1,099)	(2,239)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts in INR Thousands, unless otherwise stated)

B. Movements in plan assets and plan liabilities

	Present value of obligations	Fair Value of Plan assets
As at March 31, 2021	**6,688**	**4,448**
Current service cost	683	-
Past service cost	-	-
Interest cost	465	-
Interest income	-	309
Return on plan assets excluding amounts included in net finance income/cost	-	(51)
Actuarial (gain)/loss arising from changes in demographic assumptions	(7)	-
Actuarial (gain)/loss arising from changes in financial assumptions	(311)	-
Actuarial (gain)/loss arising from experience adjustments	480	-
Employer contributions	-	2,192
Benefit payments	(989)	(989)
As at March 31, 2022	**7,009**	**5,910**

Particulars	Present value of obligations	Fair Value of Plan assets
As at March 31, 2020	**6,062**	**2,408**
Current service cost	763	-
Past service cost	-	-
Interest cost	413	-
Interest income	-	164
Return on plan assets excluding amounts included in net finance income/cost	-	25
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	(96)	-
Actuarial (gain)/loss arising from experience adjustments	(206)	-
Employer contributions	-	2,100
Benefit payments	(249)	(249)
As at March 31, 2021	**6,688**	**4,448**

The liabilities are split between different categories of plan participants as follows:

- active members - 178 (2020-21: 122)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts in INR Thousands, unless otherwise stated)

C. Statement of profit and loss

Employee benefit expenses:		
Current service cost	683	763
Interest cost/(income)	156	249
Total amount recognised in Statement of profit & loss	**838**	**1,013**
Remeasurement of the net defined benefit liability:		
Actuarial (Gains)/Losses on Obligation For the Period	163	(303)
Return on Plan Assets, Excluding Interest Income	51	(25)
Total amount recognised in Other Comprehensive Income	**214**	**(328)**

D. Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Financial Assumptions		
Discount rate	7.35%	6.82%
Expected rate of return on plan assets	7.35%	6.82%
Salary escalation rate	5.00%	5.00%
Rate of Employee Turnover		
- For service 4 years and below	8.00%	8.00%
- For service 5 years and above	2.00%	2.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

E. Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

Impact on defined benefit obligation **Increase / (Decrease) in liability**

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Projected benefit obligation on current assumptions	7,009	6,688
+1% Change in rate of discounting	(689)	(671)
–1% Change in rate of discounting	820	804
+1% Change in rate of Salary increase	832	812
–1% Change in rate of Salary increase	(709)	(688)
+1% Change in Attrition Rate	170	132
–1% Change in Attrition Rate	(197)	(155)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in INR Thousands, unless otherwise stated)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

F. Maturity Analysis of the Benefit Payments: From the Fund

Particulars	As at March 31, 2022	As at March 31, 2021
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	835	1,023
2nd Following Year	188	163
3rd Following Year	206	175
4th Following Year	215	192
5th Following Year	225	200
Sum of Years 6 To 10	2,196	1,802
Sum of Years 11 and above	15,519	14,306

ii) Compensated Absences: The Group permits encashment of compensated absence accumulated by their employees on retirement or separation from service. The liability in respect of the Group, for outstanding balance of leave at the balance sheet date us determined and provided on the basis of actuarial valuation as at the balance sheet date performed by an independent actuary.

iii) "The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment"benefits has been published in the Gazette of India. However, the date on which the Code will come into effect has not"been notified. The Group will assess the impact of the Code and recognise the same when the Code becomes"effective."

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts in INR Thousands, unless otherwise stated)

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Earnings per share (EPS)	**2021-22**	**2020-21**
Net profit/(loss) as per statement of profit and loss after tax :		
Continuing operations	21,418	23,943
Discontinued operations	72	1,781
Continuing operations and Discontinued operations	21,490	25,724
Weighted average number of equity shares	1,25,94,972	1,25,88,972
Add : effect of dilutive issue of options	-	3,083
Diluted weighted average number of equity shares	1,25,94,972	1,25,92,055
Nominal value of equity shares (in nos.)	10	10
Basic and Diluted earnings per share :		
Continuing Operations	1.70	1.90
Discontinued Operations	0.01	0.14
Continuing and Discontinued Operations	1.71	2.04

41 Contingent liabilities not provided for :

The Group does not have any pending litigations which would impact its financial positions.

Particulars	**2021-22**	**2020-21**
Fixed deposit pledged against credit facilities	1,069	1,069

The Group has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its consolidated financial statements. The Group does not expect the outcome of these proceedings to have a material impact on its consolidated financial statements.

42 Commitments

a) The Group has acquired certain premises under lease arrangements which are renewable / cancellable at the Group's and/or lessor's option as mutually agreed. The future lease rental payments that the Group is committed to make in respect of these are :

Particulars	**2021-22**	**2020-21**
- within one year	6,211	6,052
- later than one year and not later than five years	23,189	4,536

b) The Group has given leasehold building on rent. The future rental income receivables as per the terms of the agreement are as follows:

Particulars	**2021-22**	**2020-21**
- within one year	11,284	6,582
- later than one year and not later than five years	45,134	-

43 Disclosure on related party transactions

Name of related parties and description of relationship:

Associates /Entities in which KMPs are interested /Key Managerial Personnels (KMP) and their relatives with whom transactions have been entered during the year in the ordinary course of Business:

Associates :	**Key Managerial Personnel (KMP) :**
HGM Fund	Directors/Key Managerial Personnels (KMP) :
HOVG, LLC dba Bay Area Credit Service, LLC	Mr. Vikram Negi (Chairman and Executive Director)
SourceHOV, LLC	Mr. Sunil Rajadhyaksha (Executive Director)
Rule14 LLC	Mr. Surinder Rametra (Executive Director)
Exela Technologies India Private Limited	Mr. Nilesh Bafna (Chief Financial Officer)
(Formerly known as BancTec TPS India Private Limited)	Mr. Bhuvanesh Sharma (VP-Corporate Affairs and Company Secretary)

Relatives of KMP :

Mrs. Rekha Sharma
Mrs. Deepali Bafna
Mr. Dinesh Bafna

Non Executive Directors

Mr. Ajay Puri (from July 26, 2021)
Mr. Baldev Raj Gupta (Upto July 25, 2021)
Mrs. Lakshmi Kumar
Mr. Harjit Singh Anand

During the year, the following transactions were carried out with the above related parties in the ordinary course of business and outstanding balances :

Name of the Party	Nature of Transactions	For the year ended March 31, 2022	For the year ended March 31, 2021
SourceHOV, LLC	Services provided	84,504	80553
HOVG, LLC dba Bay Area Credit Service, LLC	Services provided	16,076	15,998
Exela Technologies India Private Limited	Rent received	11,284	11,284
	Reimbursement of expenses	1,945	1,841
Mr. Baldev Raj Gupta	Sitting fees & ESOP perquisites	360	510
Mrs. Lakshmi Kumar	Sitting fees	540	450
Mr. Harjit Singh Anand	Sitting fees	510	510
Mr. Ajay Puri	Sitting fees	360	-
Mr. Nilesh Bafna	Salary (including perquisites)	3,160	2,521
Mr. Bhuvanesh Sharma	Salary (including perquisites)	2,712	2,716
Mrs. Rekha Sharma	Car rental	288	288
Mrs. Deepali Bafna	Car rental	-	288
Mr. Dinesh Bafna	Car rental	288	-

Name of the Party	Nature of Balances	As at March 31, 2022	As at March 31, 2021
SourceHOV, LLC	Trade receivables	43,697	41,559
	Unbilled revenue	97	-
HOVG, LLC dba Bay Area Credit Service, LLC	Trade receivables	8187	7939
	Unearned revenue	-	1171
HGM Fund	Advance refundable	1,04,303	1,01,135
Rule 14 LLC	Advance refundable	2,577	2,499
Exela Technologies India Private Limited	Deposit refundable	2,650	2,650
Mr. Sunil Rajadhyaksha	Remuneration payable	193	239
Mrs. Rekha Sharma	Car rental payable	24	24
Mrs. Deepali Bafna	Car rental payable	-	24
Mr. Dinesh Bafna	Car rental payable	24	-

Notes:

a) Related party relationship is as identified by the management and relied upon by the auditors.

b) No amounts in respect of related parties have been written off/ written back during the year or has not made any provision for doubtful debts/ receivable.

44 The Group has adopted IND AS 116 "Leases" using modified retrospective approach. The Group's lease assets classes primarily consist of leases for buildings and vehicles. The Group has used following practical expedient when applying IND AS 116 to leases :

(a) the Group did not recognize Right to Use and lease liabilities for lease for which the lease terms ends within 12 months on the date of transaction and low value assets

(b) the Group uses hindsight in determing the lease term where the contract contains options to extend or terminate the lease. The weighted average lessee's incremental borrowing rate applied to the lease liabilities is 12% On transition to the IND As 116, the impact thereof is as follows :

Particulars	As at March 31, 2022	As at March 31, 2021
Right of Use - assets	22,985	8,488
Lease Liabilities	23,740	9,371

Following is the movement in lease liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	9,371	11,360
Additions	20,249	3,497
Interest accrued during the year	907	1,176
Deletions	(520)	(318)
Payment of Lease liabilities	(6,151)	(6,344)
Closing Balance	23,856	9,371
- Current lease liabilities	4,513	5,195
- Non Current lease liabilities	19,227	4,176

Breakup of the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at March 31, 2022	As at March 31, 2021
Less than one year	6,211	6,052
One to five years	23,189	4,536
More than five years	-	-

Short term lease expense incurrered :

Particulars	As at March 31, 2022	As at March 31, 2021
Rental expense	-	-
Vehicle Expense	1,196	1,332

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts in INR Thousands, unless otherwise stated)

45 Assets provided as security

The carrying amounts of assets provided as security for current and non-current borrowings are:

Particulars	As At March 31, 2022	As At March 31, 2021
Investment property	85,752	87,633
Financial Assets :		
Fixed deposit with banks	1,069	1,069
Total	**86,821**	**88,702**

46	**Payment to auditors of Holding Company**	**2021-22**	**2020-21**
	(Excluding Taxes)		
	Audit fees	500	500
	Limited review fees	300	300
	Certification fees	120	120
	Total payment to auditors	**920**	**920**

47 Segment Reporting :

The Group has disclosed its Enviornment Business as discontinued operations (Refer note 31). Hence it has only one reportable segment in terms of requirement of IND AS 108 i.e. 'Software and IT Enabled services' in Operating Segments.

48 Certain financial assets and financial liabilities are subject to formal confirmations and reconciliations, if any. The Management, however, is confident that the impact whereof for the year on the financial statements will not be material.

49 Ratios

The ratios for the years ended March 31, 2022 and March 31, 2021 are as follows:

Particular	Numerator	Denominator	2021-22	2020-21	Variance (in %)
(a) Current Ratio	Total of Current Assets	Total of Current liabilities	0.78	0.91	(14.2)
(b) Debt Service Coverage Ratio	Profit/(Loss) before tax from continuing operations	Debt Service (Borrowings+ Interest payable)	4.34	2.32	87.3
(c) Return on Equity Ratio	Profit/(Loss) after tax	Total Equity	0.07	0.02	186.5
(d) Trade Receivables Turnover Ratio	Revenue from Operations	Average Trade Receivables	1.98	1.79	10.6
(e) Trade Payable Turnover Ratio	Purchase of services and other expenses	Average trade payable	10.97	8.39	30.7
(f) Net Capital Turnover Ratio	Revenue from Operations	Working capital	(3.42)	(7.67)	(55.5)
(g) Net Profit Ratio	Net profit after tax	Revenue from Operations	0.21	0.25	(14.1)
(h) Return on Capital Employed	Profit/(Loss) before interest and tax	Capital employed (total assets less current liabilities)	0.10	0.03	207.0
(i) Return on Investment	Dividend Income	Cost of Investments	NA	NA	

Note :- Detail explanations for the ratios with significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in the above mentioned ratios

(b) Due to repayment of borrowings as per the terms.

(c) Due to change in fair value of quoted investment.

(e) Due to payment to trade payables

(f) In current year more fixed deposits are classified as non current due to maturities of more than 12 months and due to increase in lease liability.

(h) Due to decrease in fair value of quoted investment.

50 a) There are no transactions or balance with struck off companies

b) No proceeding has been initiated or pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988, as amended, and rules made thereunder.

c) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

d) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year

e) There were no transactions relating to previously unrecorded income that have been surrendered and disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

f) The Group has not advanced or loaned to or invested in funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

g) The Group has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall

(i) directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

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

Signature to Notes 1 - 51 **For and on behalf of the Board**

Vikram Negi
Chairman & Executive Director
(DIN:01639441)
Place : California, USA
Date : May 27, 2022

Sunil Rajadhyaksha
Executive Director
(DIN:00020066)
Place : San Diego, USA
Date : May 27, 2022

Bhuvanesh Sharma
VP-Corporate Affairs & Company Secretary
Place : Pune
Date : May 27, 2022

Nilesh Bafna
Chief Financial Officer
Place : Pune
Date : May 27, 2022

Place : Pune
Date : May 27, 2022

Notes to Consolidated Financial Statements for the year ended March 31 2022

Name of Entity	Net Assets, i.e Total Assets minus total liabilities		Share in Profit or Loss	
	As % of Consolidated Net Assets	Amount in Lakhs	As % of Consolidated Amount	Amount in Lakhs
Parent:				
HOV Services Limited	125.97%	3,772.83	-10.22%	699.36
Indian Subsidiaries:				
HOV Environment Solutions Pvt. Ltd.	-37.20%	(1,114.14)	-0.01%	0.72
Foreign Subsidiaries:				
HOVS LLC	-8.78%	(262.95)	106.45%	(7,287.04)
HOVS Holding Limited	25.07%	750.90	3.78%	(258.46)
HOV Environment LLC	-5.06%	(151.54)	0.00%	-

Independent Auditor's Report

To The Members of

HOV Services Limited

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of HOV Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the standalone financial statements including 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 March 31, 2022, its 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 standalone 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 standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No	Key Audit Matters	Auditor's response
1.	**Valuation and Impairment of unquoted equity instruments in subsidiary:** The Company had made investment in a wholly owned subsidiary namely HOVS LLC Rs. Nil, being fair value as on March 31, 2022, (Gross Investments Rs, 660,770 thousands, provision for impairment thereagainst of Rs. 660,770 thousands). HOVS LLC in turn has acquired stake in Exela Technologies Inc. ("Exela"-Listed on NASDAQ). This investment is measured at cost and provision is made for any diminution other than temporary if required in standalone financial statements. In view of investments being material, we have considered its valuation/impairment to be a significant matter.	We observed the publicly available quoted prices of the underlying equity instrument representing holding in i.e. Exela Technologies Inc. which are listed on the NASDAQ and also obtained external evidence of existence of investment through publicly available filings on NASDAQ from time to time and obtaining holding statement from the custodian. Accordingly, impairment provision has been made for diminution.

Information Other than the Standalone Financial Statements and Auditor's report thereon

The Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to the Board report, Corporate Governance report and Shareholder's information, but does not include the standalone financial statement and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, 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.

Responsibilities of Management and those charged with Governance for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance, 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 Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 standalone financial statements, including the disclosures, and whether these standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone 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.

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 Matter:

We draw your attention to the Note 35 (E) of the standalone financial statements regarding the assessment made by Management relating to impact of COVID-19 pandemic on the operations of the Company.

Our opinion in the Standalone Financial Statements and our report on the other legal and regulatory requirement below is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. Pursuant to 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 Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and records.
   (c) The Balance sheet, the Statement of Profit & Loss, Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.
   (e) On the basis of the written representation received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a Directors in terms of Section 164(2) of the Act.
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".
   (g) The Company has not paid remuneration to its directors during the year and hence reporting under provision of Section 197(16) of the Act is not applicable
   (h) With respect to the matters to be included in the Auditor's report in accordance with the rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company does not have any pending litigations which would impact its financial position in its standalone financial statements. [Refer Note 39]
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. There are no amounts which is required to be transferred to the Investor Education and Protection Fund by the Company.
      iv. a) The management has represented that, to the best of their knowledge and belief, other than as disclosed in the standalone financial statements, 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 their knowledge and belief, other than as disclosed in the standalone financial statements, 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 representation under sub clause (i) and (ii) of Rule 11(e) of The Companies (Audit and Auditors) Rules, 2014, as provided under (a) and (b) above, contains any material misstatement.

v. The Company has not declared or paid dividend during the financial year 2021-22 and hence reporting under Rule 11 (f) of Companies (Audit and Auditors) Rules, 2014 is not applicable.

For BAGARIA and CO. LLP
Chartered Accountants
FRN - 113447W/W-100019

Vinay Somani
Partner
M. No. 143503
UDIN:: 22143503AJRYAY6604

Place: Mumbai
Date: May 27,2022

Annexure "A" referred to in "Report on Other Legal and Regulatory Requirements" section of our report to the Members of HOV Services Limited for the year ended March 31, 2022:

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we state that:

i. a. In respect of Company's Property, Plant and Equipment (PPE), Investment Property and Intangible Assets:

A. The Company has maintained proper records, showing full particulars, including quantitative details and situation of PPE, Investment Property, and relevant details of right-to-use assets.

B. The Company has maintained proper records showing full particulars of intangible assets.

b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has physically verified all its PPE and Investment Property. In our opinion, the frequency of verification is reasonable considering the size of the Company and nature of its PPE and Investment Property. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of leasehold immovable property, included under investment property in the financial statements (other than properties where the Company is lessee and lease agreements are duly executed in favour of the Company), are held in the name of the Company.

d. The Company has not revalued any of its PPE (including right- of-use assets and Investment Property) and intangible assets during the year and hence reporting under clause 3(i)(d) of the Order is not applicable to the Company.

e. According to the information and explanations given to us and on the basis of our examination of the books and records of the Company, neither any proceedings have been initiated during the year nor are pending as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988, as amended, and rules made thereunder and hence reporting under clause 3(i)(e) of the Order is not applicable to the Company.

ii. a. The Company does not hold any inventory and hence reporting under clause 3 (ii) (a) of the Order is not applicable to the Company.

b. According to the information and explanations given to us, the Company has not been sanctioned working capital limit in excess of Rs. 5 crores on the basis of security of current assets, in aggregate, at any point of time during the year from banks and financial institutions and hence reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

iii. In respect of Investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties:

(a) During the year, the Company has not provided any loans or advances in the nature of loans or stood guarantee or provided security to any other entity during the year and hence reporting under clause 3(iii)(a) is not applicable to the Company.

(b) According to the information and explanations given to us, during the year, the Company has not made any investment and hence reporting under clause 3(iii)(b) of the Order is not applicable to the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year, the Company has not given any loans or advances in the nature of loans to any party and hence reporting under clause 3(iii)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year and hence reporting under clause 3(iii)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties and hence reporting under clause 3(iii)(e) of the Order is not applicable to the Company.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment and hence reporting under clause 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year, the Company has not made investments, granted any loans, provided guarantee and security under Section 185 and 186 of the Act, to the extent applicable and hence reporting under clause 3(iv) of the Order is not applicable to the Company.

v. In our opinion and according to the information and explanations given to us, no deposits or amounts which are deemed to be deposits within the meaning of Section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 have been accepted by the Company and hence reporting under clause 3(v) of the Order is not applicable to the Company.

vi. According to the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government under Section 148 (1) of the Act for any of the activities of the Company and hence reporting under clause 3(vi) of the Order is not applicable to the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income tax, sales tax, custom duty, duty of excise, value added tax, cess and other statutory dues during the year with the appropriate authorities. No undisputed amounts payable in respect of the aforesaid 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 on the basis of our examination of the records, there are no statutory dues mentioned in clause vii (a) above which have not been deposited on account of any dispute.

viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) and hence reporting under clause 3(viii) of the order is not applicable to the Company.

ix. (a) Based on our audit procedures and on the basis of information and explanations given to us, we are of the opinion that the Company has not defaulted in the repayment of loans or other borrowings or in the repayment of interest thereon to the lender and hence reporting under clause 3(ix) (a) of the Order is not applicable to the Company.

(b) On the basis of information and explanations given to us, the Company has not been declared as willful defaulter by any bank or financial institution or other lender.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not taken any term loan during the year and hence reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not raised any short-term funds and hence reporting under clause 3(ix)(d) of the Order is not applicable to the Company.

(e) Based on our audit procedures and on the basis of information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and hence reporting under clause 3(ix)(e) of the Order is not applicable to the Company.

(f) Based on our audit procedures and on the basis of information and explanations given to us, during the year the Company has not raised any funds on the pledge of securities held in its subsidiaries and hence reporting under clause 3(ix)(f) of the Order is not applicable to the Company.

x. (a) The Company has not raised any money by way of Initial public offer or further public offer (including debt instrument) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment, private placement of shares or fully or partly convertible debentures during the year or in the recent past and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by or on the Company, noticed or reported during the year, nor have we been informed of such case by the management.

(b) During the year, no report under sub section 12 of Section 143 of the Act has been filed in Form ADT-4 as prescribed in rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) Based on our audit procedure performed and according to the information and explanations given to us, no whistle blower complaints were received by the Company during the year and hence reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all the transactions with related parties are in compliance with Section 177 and 188 of the Act and all the details have been disclosed in the standalone financial statements as required by the applicable Accounting Standard. (Refer Note 41 to the standalone financial statements)

xiv. (a) According to the information and explanations given to us and on the basis of our examination of the records, 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 for the year under audit issued to the Company during the year and till date, in determining nature, timing and extent of our audit procedure.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions prescribed under Section 192 of the Act with directors or persons connected with them during the year.

xvi. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clause 3(xvi) (a), (b) and (c) of the Order is not applicable to the Company.

(b) In our opinion, there is no core investment company within the "Companies in the Group" as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 and hence reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. The Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year and hence reporting under clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report 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 one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us, there are no amounts unspent in respect of corporate social responsibility towards ongoing or other than ongoing projects and hence reporting under clause 3(xx) (a) and (b) of the Order is not applicable to the Company.

For BAGARIA and CO. LLP
Chartered Accountants
FRN - 113447W/W-100019

Vinay Somani
Partner
M. No. 143503
UDIN : 22143503AJRYAY6604

Place: Mumbai
Date: May 27,2022

Annexure "B" referred to in "Report on Other Legal and Regulatory Requirements" section of our report to the Members of HOV Services Limited for the year ended March 31, 2022:

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of HOV SERVICES LIMITED ("the Company") as of March 31, 2022 in conjunction with our audit of standalone financial statement of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company.

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

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

(4) also provide us reasonable assurance by the internal auditors through their internal audit reports given to the Company from time to time

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the best of our information and according to the explanations given to us, the Company has broadly, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For BAGARIA and CO. LLP
Chartered Accountants
FRN - 113447W/W-100019

Vinay Somani
Partner
M. No. 143503
UDIN : 22143503AJRYAY6604

Place: Mumbai
Date : May 27,2022

BALANCE SHEET AS AT MARCH 31, 2022

(All amounts in INR Thousands, unless otherwise stated)

Particulars	Note No	As At March 31, 2022	As At March 31, 2021
Assets			
Non-current assets			
Property, plant and equipment	2	1,116	2,075
Investment property	3	85,752	87,633
Intangible assets	4	18	35
Right to Use - Assets	5	22,985	8,488
Financial assets			
Investments in subsidiaries	6	7	6,60,777
Loans to a step down subsidiary	7	-	-
Other financial assets	8	46,157	11,823
Deferred tax assets	9	9,786	12,578
Other non-current assets	10	92	98
Current assets			
Financial assets			
Trade receivables	11	51,884	49,497
Cash & cash equivalents	12	10,768	21,043
Other bank balances	13	17,733	30,429
Other financial assets	14	2,818	3,213
Other current assets	15	1,943	3,244
Total assets		**2,51,059**	**8,90,933**
Equity and liabilities			
Equity			
Equity share capital	16	1,25,950	1,25,890
Other equity		78,872	7,18,286
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	17	-	6,921
Lease Liabilities	18	19,227	4,176
Current liabilities			
Financial liabilities			
Borrowings	19	6,898	13,455
Lease Liabilities	20	4,513	5,195
Trade payables	21		
Total outstanding dues of micro enterprise and small enterprises		835	148
Total outstanding dues of creditors other than micro enterprises and small enterprises		5,912	6,582
Other financial liabilities	22	2,689	3,926
Other current liabilities	23	1,206	839
Provisions	24	2,333	4,044
Current tax liabilities	25	2,624	1,471
Total equity and liabilities		**2,51,059**	**8,90,933**
Significant accounting policies	1		
The accompanying notes 2 to 49 are an integral part of the standalone financial statements			

As per our report of even date

For **Bagaria & Co. LLP**
Chartered Accountants
FRN - 113447W/W-100019

Vinay Somani
Partner
M. No. 143503

Place : Mumbai
Date : May 27, 2022

For and on behalf of the Board

Vikram Negi
Chairman & Executive Director
(DIN:01639441)
Place : California, USA
Date : May 27, 2022

Sunil Rajadhyaksha
Executive Director
(DIN:00011683)
Place : San Diego, USA
Date : May 27, 2022

Bhuvanesh Sharma
VP-Corporate Affairs
& Company Secretary

Place : Pune
Date : May 27, 2022

Nilesh Bafna
Chief Financial Officer

Place : Pune
Date : May 27, 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in INR Thousands, unless otherwise stated)

Particulars	Note No.	For the year Ended March 31, 2022	For the year Ended March 31, 2021
Income			
Revenue from operations	26	1,00,581	96,551
Other income	27	13,433	9,628
Total Income		**1,14,014**	**1,06,179**
Expenditure			
Employee benefits expenses	28	62,635	58,115
Finance cost	29	907	1,176
Depreciation and amortisation expenses	2,4,5	6,230	6,237
Other expenses	30	14,141	15,001
Total Expenditure		**83,913**	**80,529**
Profit before exceptional items		**30,101**	**25,650**
Exceptional items	41	(6,60,770)	6,06,866
Profit/(loss) before tax		**(6,30,669)**	**6,32,516**
Tax expense	31		
Current tax		(8,280)	(7,100)
Deferred tax		(403)	(262)
Relating to earlier years		-	(141)
Profit/(loss) after tax for the year		**(6,39,352)**	**6,25,013**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss			
Gain/(Loss) on Remeasurement of net defined benefit plans		(214)	328
Tax impact on above		59	(91)
Total other comprehensive income		**(155)**	**237**
Total comprehensive income		**(6,39,507)**	**6,25,250**
Earnings per share	38		
Basic & diluted Earning Per Share (Face value of Rs. 10 each) :			
Before exceptional items		1.70	1.44
After exceptional items		(50.78)	49.65
Significant accounting policies	1		
The accompanying notes 2 to 49 are an integral part of the standalone financial statements			

As per our report of even date

For **Bagaria & Co. LLP**
Chartered Accountants
FRN - 113447W/W-100019

Vinay Somani
Partner
M. No. 143503

Place : Mumbai
Date : May 27, 2022

For and on behalf of the Board

Vikram Negi
Chairman & Executive Director
(DIN:01639441)
Place : California, USA
Date : May 27, 2022

Bhuvanesh Sharma
VP-Corporate Affairs
& Company Secretary

Place : Pune
Date : May 27, 2022

Sunil Rajadhyaksha
Executive Director
(DIN:00011683)
Place : San Diego, USA
Date : May 27, 2022

Nilesh Bafna
Chief Financial Officer

Place : Pune
Date : May 27, 2022

Statement of Changes in Equity for the year ended March 31, 2022

(All amounts in INR Thousands, unless otherwise stated)

EQUITY SHARE CAPITAL :

Particular	Balance as at March 31, 2020	Changes in equity share capital due to prior period errors	Restated Balance as at March 31, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
	1,25,890	-	1,25,890	-	125,890

Particular	Balance as at March 31, 2021	Changes in equity share capital due to prior period errors	Restated Balance as at March 31, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
	1,25,890	-	1,25,890	60	125,950

OTHER EQUITY :

Particulars	Reserve and Surplus				Other Comprehensive Income- Remeasurements of net defined benefit plans	Total
	Securities Premium Reserve- on issue of equity shares	Capital Redemption Reserve -created on Buyback of equity shares	General Reserve- transferred from retained earnings	Retained earnings		
Balance as at March 31, 2020	**6,26,189**	**630**	**19,541**	**(5,53,682)**	**358**	**93,036**
Profit/(Loss) for the year	-	-	-	6,25,013	-	6,25,013
Imapct of actuarial Gain/(Loss)	-	-	-	-	237	237
Balance as at March 31, 2021	**6,26,189**	**630**	**19,541**	**71,331**	**595**	**7,18,286**
Balance as at March 31, 2021	**6,26,189**	**630**	**19,541**	**71,331**	**595**	**7,18,286**
On allotment of equity shares under ESOP	93	-	-	-	-	93
Profit/(Loss) for the year	-	-	-	(6,39,352)	-	(6,39,352)
Imapct of actuarial Gain/(Loss)	-	-	-	-	(155)	(155)
Balance as at March 31, 2022	**6,26,282**	**630**	**19,541**	**(5,68,021)**	**440**	**78,872**
Significant accounting policies 1						
The accompanying notes 2 to 49 are an integral part of the standalone financial statements						

As per our report of even date

For **Bagaria & Co. LLP**
Chartered Accountants
FRN - 113447W/W-100019

Vinay Somani
Partner
M. No. 143503

Place : Mumbai
Date : May 27, 2022

For and on behalf of the Board

Vikram Negi
Chairman & Executive Director
(DIN:01639441)
Place : California, USA
Date : May 27, 2022

Bhuvanesh Sharma
VP-Corporate Affairs
& Company Secretary

Place : Pune
Date : May 27, 2022

Sunil Rajadhyaksha
Executive Director
(DIN:00011683)
Place : San Diego, USA
Date : May 27, 2022

Nilesh Bafna
Chief Financial Officer

Place : Pune
Date : May 27, 2022

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in INR Thousands, unless otherwise stated)

Particulars		For the year Ended March 31, 2022	For the year Ended March 31, 2021
A	**Cash flow from Operating Activities:**		
	Net profit/(loss) before tax and exceptional items	30,101	25,650
	Add: Adjustments for		
	Depreciation & amortisation	8,111	8,118
	Interest income	(3,660)	(2,979)
	Rent income (net)	(8,030)	(6,532)
	Finance cost	2,280	4,047
	Provisions no longer required written back	(198)	(110)
	(Profit)/Loss on sale of Property, plant and equipment	-	(7)
	Foreign exchange (gain)/loss, net	(1,546)	1,307
	Operating profit before working capital changes	**27,058**	**29,494**
	Adjustments for changes in working capital :		
	(Increase)/decrease in trade receivable	(841)	7,382
	(Increase)/decrease in other receivables	(19,936)	(11,659)
	Increase/(decrease) in trade and other payable	(2,717)	(2,503)
	Cash generated from operations	**3,564**	**22,714**
	Taxes paid (net of refund)	(4,679)	(6,007)
	Net cash from/(used in) operating activities - A	**(1,115)**	**16,707**
B	**Cash flow from investing activities:**		
	Purchase of Property, plant and equipment	-	(53)
	Sale of Property palnt and equipment	-	7
	Rent income received (net)	8,030	6,532
	Interest income	3,660	2,979
	Net cash from/(used in) investing activities - B	**11,690**	**9,465**
C	**Cash flow from financing activities:**		
	Finance cost	(1,373)	(2,871)
	Proceeds from issue of equity shares under ESOP	152	-
	Payment of lease liabilities	(6,151)	(6,344)
	Proceeds/(repayments) of borrowings- net	(13,478)	(11,968)
	Net cash from/(used in) financing activities - C	**(20,850)**	**(21,183)**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	(10,275)	4,989
	Opening cash and cash equivalents	21,043	16,054
	Closing cash and cash equivalents	**10,768**	**21,043**
	Significant accounting policies : 1		

The accompanying notes 2 to 49 are an integral part of the standalone financial statements

Cash Flow from financing activities

Particulars	Current borrowings	Long Term borrowings
Balance as at March 31, 2020	**-**	**32,344**
Loan Taken / (repaid)	-	(11,968)
Balance as at March 31, 2021	**-**	**20,376**
Loan Taken / (repaid)	-	(13,478)
Balance as at March 31, 2022	**-**	**6,898**

As per our report of even date

For **Bagaria & Co. LLP**
Chartered Accountants
FRN - 113447W/W-100019

Vinay Somani
Partner
M. No. 143503

Place : Mumbai
Date : May 27, 2022

For and on behalf of the Board

Vikram Negi
Chairman & Executive Director
(DIN:01639441)
Place : California, USA
Date : May 27, 2022

Bhuvanesh Sharma
VP-Corporate Affairs
& Company Secretary

Place : Pune
Date : May 27, 2022

Sunil Rajadhyaksha
Executive Director
(DIN:00011683)
Place : San Diego, USA
Date : May 27, 2022

Nilesh Bafna
Chief Financial Officer

Place : Pune
Date : May 27, 2022

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Company Information:

The Company was incorporated in 1989 under the Companies Act, 1956 as Codec Communication Pvt. Ltd with registration number 25-14448. The Company commenced its operations on January 10, 1989. In March, 2006 the Company changed its name to HOV Services Limited as a part of its plans to create brand recognition among its customers. The Company is engaged in providing Software and IT Enabled Services such as Data Entry Services, Software Development and Support Services.

The Standalone financial statements are approved for issue by the Company's Board of Directors on May 27, 2022

1. SIGNIFICANT ACCOUNTING POLICIES

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, except for the following material items that have been measured at fair value as required by the relevant Ind AS:

- Certain financial assets and liabilities are measured at Fair value (refer accounting policy on financial instruments - Refer note 1.7 below
- Defined Benefit and other Long term Employee Benefits - Refer note 1.8 below

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

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. Based on the nature of services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current -non current classification of assets and liabilities.

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

Costs that are directly associated with identifiable and unique software products controlled by the Company, developed in-house or acquired, and have probable economic benefits exceeding the cost beyond one year are recognized as software products. Other acquired software's meant for in-house consumption are capitalized at the acquisition price:

Depreciation/amortisation:

Tangible Assets - Depreciation on Property, Plant and Equipment is provided on a straight line method based on useful life and in the manner prescribed in part C of Schedule II of the Companies Act, 2013.

Investment property is amortized over the period of lease.

Intangible Assets - Software product (meant for sale) are amortized over its estimated useful life of 8 years. Other Software products are amortized over its period of license.

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. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made.

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

Rendering of services:

Revenue from Software and IT Enabled services are recognized when the services are rendered.

The Company derives revenue primarily from Software and IT Enabled Services, maintenance of software/hardware and related services and Use of software licenses. 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.

Sale of licence: Revenue from licence is recognized at the time the license is made available to the customer as "right to access" during the period of access.

Other Income

Interest income is recognized on a time proportionate basis taking into account the amounts invested and the rate of interest. For all financial instruments measured at amortised cost, interest income is

recorded using the Effective interest rate method to the net carrying amount of the financial assets.

1.6 CONTRACT BALANCES:

Trade Receivables:

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only a passage of time is required to before payment of the consideration is due).

Contract liabilities:

A contract liability is the obligation to transfer goods or services to a customer for which the company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the company transfer goods and services to the customer, a contract liability is recognised when the payment is made or the payment is due, whichever is earlier. Contract liabilities are recognised as revenue when the company performs under the contract

1.7 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. Amortised cost is calculated using the effective interest rate ("EIR") method 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. The losses arising from impairment are recognised in the Statement of Profit and Loss. On derecognition, gain or loss, if any, is recognised to Statement of Profit and Loss.

(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.

For all other equity instruments, 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 shall be recognised in 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 recognised in the OCI. Amounts recognised in Other Comprehensive Income (OCI) are not subsequently transferred to Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised in Statement of Profit and Loss.

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 credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable including that which is forward-looking.

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.

Under simplified approach, the Company does not track changes in credit risk. Rather it recognizes impairment loss allowance based on the lifetime ECL at each reporting date right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables.

The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12 months ECL.

The impairment losses and reversals are recognised in Statement of Profit and Loss. For equity instruments and financial assets measured at FVTPL, there is no requirement for impairment testing.

Investments in subsidiaries:

The Company has accounted for its investment in subsidiaries at cost.

De-recognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial Liabilities

Initial Recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

The Company's financial liabilities includes trade and other payables, loans and borrowings including bank overdrafts and derivative instruments.

Subsequent measurement

Financial liabilities measured at amortised cost are subsequently measured at using 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.

Loans & Borrowings:

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using EIR method. Gains and losses are recognized in profit & loss when the liabilities are derecognized as well as through EIR amortization process.

Financial Guarantee Contracts

Financial guarantee contracts issued by the Company are those contracts that requires a payment to be made or to reimburse the holder for a loss it incurs because the specified debtors fails to make payment when due in accordance with the term of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

Subsequently the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative adjustments.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition

of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Derivative financial instruments & hedge accounting

The Company uses derivative financial instruments, such as forward foreign exchange contracts, interest rate swaps, cross currency interest risk swap to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value, with changes in fair value recognised in Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Company designates their derivatives as hedges of foreign currency risk associated with the cash flows of highly probable forecast transactions and variable interest rate risks associated with the borrowings.

The Company documents at the inception of hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset cash flow of hedged items. The Company documents its risk management objective and strategy for undertaking various hedge transaction at the inception of each hedge relationship.

Cash flows hedge that qualify for the hedge accounting

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit & loss, except for the effective portion of cash flow hedge which is recognized in other comprehensive income and presented as separate component of equity which is later reclassified to statement of profit & loss when the hedge item affects profit & loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

1.8 FAIR VALUE MEASUREMENT:

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ✓ In the principal market for the asset or liability, or
- ✓ In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ✓ Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ✓ Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ✓ Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.9 EMPLOYEE BENEFITS

The Company has provides following post-employment plans such as:

(a) Defined benefit plans such a gratuity and

(b) Defined contribution plans such as Provident fund etc.

a) Defined-benefit plan:

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of plan assets. The defined benefit obligations is calculated annually by actuaries through actuarial valuation using the projected unit credit method.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

(a) Service costs comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements; and

(b) Net interest expense or income

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in employee benefit expenses in the statement of the profit & loss.

Re-measurement comprising of actuarial gains and losses arising from

(a) Re-measurement of Actuarial(gains)/losses

(b) Return on plan assets, excluding amount recognized in effect of asset ceiling

(c) Re-measurement arising because of change in effect of asset ceiling

are recognised in the period in which they occur directly in Other comprehensive income. Re-measurement are not reclassified to profit or loss in subsequent periods.

Ind AS 19 requires the exercise of judgment in relation to various assumptions including future pay rises, inflation and discount rates and employee and pensioner demographics. The Company determines the assumptions in conjunction with its actuaries, and believes these assumptions to be in line with best practice, but the application of different assumptions could have a significant effect on the amounts reflected in the income statement, other comprehensive income and balance sheet. There may be also interdependency between some of the assumptions.

b) Defined-contribution plan:

Under defined contribution plans, provident fund, the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. Defined Contribution plan comprise of contributions to the employees' provident fund with the government, and certain state plans like Employees' State Insurance and Employees' Pension Scheme. The Company's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.

c) Other employee benefits:

(a) Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation as at the Balance sheet date determined based on an actuarial valuation.

(b) Undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the related services.

1.10 LEASES

As a lessee : The Company's lease asset classes primarily consist of leases for Land and Buildings. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows

LESSOR :

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

1.11 FOREIGN CURRENCY TRANSACTIONS

a) Initial Recognition

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss of the year.

b) Measurement of Foreign Currency Items at the Balance Sheet Date

Foreign currency monetary items of the Company are restated at the closing exchange rates. Non monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these transactions are charged to the Statement of Profit and Loss.

1.12 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.

Current tax is based on taxable profit for the year. Taxable profit is different from accounting profit due to temporary differences between accounting and tax treatments, and due to items that are never taxable or tax deductible. Tax provisions are included in current liabilities. Interest and penalties on tax liabilities are provided for in the tax charge. The Company offsets, the current tax assets and liabilities (on a year on year basis) where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis or to realise the assets and liabilities on net basis.

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. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

1.13 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.

1.14 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.

1.15 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.

1.16 BORROWING COST

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of Cost of that assets, during the period till all the activities necessary to prepare the Qualifying assets for its intended use or sale are complete during the period of time that is required to complete and prepare the assets for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

1.17 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.

1.18 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker (CODM).

The Company has identified its Executive Director as CODM which assesses the operational performance and position of the Company and makes strategic decisions.

1.19 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.

1.20 RECENT ACCOUNTING PRONOUNCEMENTS:

The Ministry of Corporate Affairs ("MCA") notifies new standards / amendments under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23rd March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below :

(a) Ind AS 16 - Property, plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2022.

(b) Ind AS 37 - Provisions, contingent liabilities and contingent assets - The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2022, although early adoption is permitted.

(c) Ind AS 103 - Business combinations - The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities.

(d) Ind AS 109 - Financial instruments - The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The Company is in the process of evaluating the impact of these amendments.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in INR Thousands, unless otherwise stated)

2 Property, Plant and Equipment

Particulars	Computers	Furniture and Fixtures	Vehicles	Office Equipment	Total
Gross carrying amount					
Balance as at March 31, 2020	**3,119**	**7**	**2,545**	**412**	**6,083**
Additions	-	-	-	-	-
Deductions/ Adjustment	(230)	-	-	(3)	(233)
Balance as at March 31, 2021	**2,889**	**7**	**2,545**	**409**	**5,850**
Accumulated Depreciation					
Balance as at March 31, 2020	**1,726**	**6**	**874**	**358**	**2,964**
Additions	715	1	305	23	1,044
Deductions/ Adjustment	(230)	-	-	(3)	(233)
Balance as at March 31, 2021	**2,211**	**7**	**1,179**	**378**	**3,775**
Net carrying amount as at March 31, 2020	**1,393**	**1**	**1,671**	**54**	**3,119**
Net carrying amount as at March 31, 2021	**678**	**-**	**1,366**	**31**	**2,075**
Gross carrying amount					
Balance as at March 31, 2021	**2,889**	**7**	**2,545**	**409**	**5,850**
Additions	-	-	-	-	-
Deductions/ Adjustment	(79)	-	-	(130)	(209)
Balance as at March 31, 2022	**2,810**	**7**	**2,545**	**279**	**5,641**
Accumulated Depreciation					
Balance as at March 31, 2021	**2,211**	**7**	**1,179**	**378**	**3,775**
Additions	636	-	305	18	959
Deductions/ Adjustment	(79)	-	-	(130)	(209)
Balance as at March 31, 2022	**2,768**	**7**	**1,484**	**266**	**4,525**
Net carrying amount as at March 31, 2021	678	-	1,366	31	2,075
Net carrying amount as at March 31, 2022	42	-	1,061	13	1,116

3 Particulars	As at March 31, 2022	As at March 31, 2021
Investment property		
Investment property (at cost)		
Leasehold office premises*	1,03,467	1,03,467
Less : accumulated amortisation		
Opening balance	15,833	13,952
Add : Amortisation for the year	1,881	1,881
Total Accumulated amortisation	17,714	15,833
Total	**85,752**	**87,633**

* Lease period is 60 years beginning from November 22, 2007

Also Refer note 44 for assets provided as security

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts in INR Thousands, unless otherwise stated)

4. Intangible Assets				5 Right to Use-Assets	
Software Product*	Other Softwares	Total	Particular	Right to Use-Lease**	Total
			Gross carrying amount		
400	**1,123**	**1,523**	**Balance as at March 31, 2020**	**14,947**	**14,947**
-	53	53	Additions :Reclassified as per IND AS 116	3,497	3,497
-	(237)	(237)	Deductions/ Adjustment	(297)	(297)
400	**939**	**1,339**	**Balance as at March 31, 2021**	**18,147**	**18,147**
			Accumulated Depreciation		
400	**1,123**	**1,523**	**Balance as at March 31, 2020**	**4,484**	**4,484**
-	18	18	Additions	5,175	5,175
-	(237)	(237)	Deductions/ Adjustment	-	-
400	**904**	**1,304**	**Balance as at March 31, 2021**	**9,659**	**9,659**
-	**-**	**-**	**Net carrying amount as at March 31, 2020**	**10,463**	**10,463**
-	**35**	**35**	**Net carrying amount as at March 31, 2021**	**8,488**	**8,488**
			Gross carrying amount		
400	**939**	**1,339**	**Balance as at March 31, 2021**	**18,147**	**18,147**
-	-	-	Additions for the year	20,249	20,249
-	-	-	Deductions/ Adjustment	(499)	(499)
400	**939**	**1,339**	**Balance as at March 31, 2022**	**37,897**	**37,897**
			Accumulated Depreciation		
400	**904**	**1,304**	**Balance as at March 31, 2021**	**9,659**	**9,659**
-	18	18	Additions	5,253	5,253
-	-	-	Deductions/ Adjustment	-	-
400	**922**	**1,322**	**Balance as at March 31, 2022**	**14,912**	**14,912**
-	**35**	**35**	**Net carrying amount as at March 31, 2021**	**8,488**	**8,488**
-	**18**	**18**	**Net carrying amount as at March 31, 2022**	**22,985**	**22,985**

*meant for license sale or otherwise

*Refer note 43

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts in INR Thousands, unless otherwise stated)

	Particulars	As at March 31, 2022	As at March 31, 2021
6	**Investments - non current**		
	Unquoted		
	In subsidiaries		
	HOVS LLC, USA		
	No of Shares	1000	1000
	% of Holding	100%	100%
	Common stock (Face value of US $ 1)	45	45
	Add: Further invested as additional paid in capital	6,60,725	6,60,725
	Total investment in HOVS LLC	**6,60,770**	**6,60,770**
	Less : Provision for diminution in value of Investments (Refer note 41)	(6,60,770)	-
	Total investment in HOVS LLC net of diminution	**-**	**6,60,770**
	HOVS Holdings Limited, Hongkong		
	No of Shares	1001	1001
	% of Holding	100%	100%
	Common stock (Face value of HKD 1)	7	7
	Total investment in HOVS Holdings Limited	**7**	**7**
	Total	**7**	**6,60,777**
	Aggregate value of quoted investments (cost)	-	-
	Aggregate value of unquoted investments (cost)	6,60,777	6,60,777
	Aggregate provision for diminution in value of unquoted investments	(6,60,770)	-
7	**Loans - Non Current**		
	Unsecured - to related party*		
	Loan receivable - credit impaired	99,089	99,089
	Less: provision for doubtful debts	(99,089)	(99,089)
	Total	**-**	**-**

* Due from HOV Environment Solutions Private Limited (step down subsidiary) (Refer note 41)

8	**Other financial assets - Non current**		
	Deposits for premises and others	1,461	1,461
	Advance to employees	-	246
	Fixed deposits with banks having matuirty more than one year	44,696	10,116
	Total	**46,157**	**11,823**
9	**Deferred tax assets**		
	Deferred tax asset (Refer note no 31)	871	1,215
	MAT credit receivable	8,915	11,363
	Total	**9,786**	**12,578**
10	**Other non current assets**		
	Prepaid expenses	92	98
	Total	**92**	**98**

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts in INR Thousands, unless otherwise stated)

	Particulars	As at March 31, 2022	As at March 31, 2021
11	**Trade receivables***		
	Trade Receivables-Unsecured-considered good	51,884	49,497
	Trade Receivables which have significant increase in Credit Risk	-	-
	Trade Receivables - credit impaired	-	-
	Total	**51,884**	**49,497**

*Refer note no: 33 for trade receivables aging and refer note no: 41 for Due from related parties

12	**Cash and cash equivalents**		
	Balance with banks in current accounts	653	422
	Cash on hand	15	21
	Fixed deposits with banks (with maturity less than three months)	10,100	20,600
	Total	**10,768**	**21,043**
13	**Other bank balances**		
	Fixed deposits with banks	17,700	30,400
	Employee benefits Trust accounts	33	29
	Total	**17,733**	**30,429**
14	**Other financial assets - Current**		
	Advances to employees	338	562
	Interest accrued but not due on fixed deposits	2,480	2,651
	Total	**2,818**	**3,213**
15	**Other current assets**		
	Advances to suppliers	236	337
	Goods and Service tax receivable	1,003	2,177
	Prepaid expenses	607	730
	Unbilled Revenue	97	-
	Total	**1,943**	**3,244**

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in INR Thousands, unless otherwise stated)

16 Equity Share Capital

	As at March 31, 2022	As at March 31, 2021
Authorised		
3,00,00,000 Equity Shares of Rs.10 each	3,00,000	3,00,000
Total	**3,00,000**	**3,00,000**
Issued, subscribed and paid up		
12594972 (previous year 12588972) Equity Shares of Rs. 10 each fully paid up	1,25,950	1,25,890
Total	**1,25,950**	**1,25,890**

The reconciliation of the number of equity shares outstanding	As At March 31, 2022		As At March 31, 2021	
	Numbers	Amount	Numbers	Amount
Equity Shares at the beginning of the year	12588972	1,25,890	12588972	1,25,890
Add: Equity shares issued during the year	6000	60	-	-
Equity Shares at the end of the year	**12594972**	**1,25,950**	**12588972**	**1,25,890**

Terms/rights attached to Equity shares :

The Company has only one class of equity shares having a par value of Rs. 10 each. Each shareholder has right to vote in respect of such share, on every resolution placed before the Company and his voting right on a poll shall be in proportion to his share of the paid –up equity capital of the Company. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Company after payments to preferential amounts secured and unsecured creditors, if any, in proportion to their shareholding.

The details of Shareholders holding more than 5% shares:

Name of the Shareholders	As At March 31, 2022		As At March 31, 2021	
	No. of Shares	% of Holding	No. of Shares	% of Holding
ADESI 234, LLC	3000985	23.83%	3000985	23.84%
HOF 2 LLC	1667933	13.24%	1667933	13.25%
Chitale LLC	786224	6.25%	786224	6.25%
Stern Capital Partners LLC	694246	5.51%	694246	5.51%

The details of promoter holding :

Name of the Promoters	As At March 31, 2022		As At March 31, 2021	
	No. of Shares	% of Holding	No. of Shares	% of Holding
ADESI 234 LLC	3000985	23.83%	3000985	23.84%
HOF2 LLC	1667933	13.24%	1667933	13.25%
Stern Capital Partners LLC	694246	5.51%	694246	5.51%
SUNIL VASANT RAJYADHYAKSHA	588720	4.67%	588720	4.68%
GENERAL PACIFIC LLC	214273	1.70%	214273	1.70%
SURINDER RAMETRA	120000	0.95%	120000	0.95%
ANIL VASANT RAJADHYAKSHA	25422	0.20%	25422	0.20%
PARVINDER S CHADHA	38250	0.30%	38250	0.30%
	6349829	**50.42%**	**6349829**	**50.44%**

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts in INR Thousands, unless otherwise stated)

In the Period of five years immediately preceding March, 2022:

The Company has not allotted any equity shares as fully paid up without payment being received in cash or as Bonus Shares or Bought back any equity shares.

Shares reserved for issue under options:

Employees Stock Option Plan (Plan 2007):

The shareholders in its Nineteenth Annual General meeting held on July 21, 2007 had approved to issue 1,100,000 equity shares of a face value of Rs.10 each with each such option conferring a right upon the employee to opt for one equity share of the company, in terms of HOVS ESOP Plan 2007. Under the plan, 400,000 options were reserved for employees of the Company and 700,000 for employees of subsidiary companies. Options were issued to employees at an exercise price not less than closing price of the stock exchange where there is highest trading volume, prior to the date of meeting of the Compensation & Remuneration Committee in which options are granted. The options will vest in a phased manner within five years as 10% in each first to four years and balance 60% at the end of fifth year.

Particulars	As At March 31, 2022		As At March 31, 2021	
	Directors	Others	Directors	Others
Options outstanding at the beginning of the year	**15000**	**14000**	**15000**	**14000**
Add: Options Granted during the year	-	-	-	-
Less: Options Lapsed/Forfeited	9000	14000	-	-
Less: Shares allotted on option exercised during the year	6000	-	-	-
Options outstanding at the end of the year	**-**	**-**	**15000**	**14000**

The following is the call option value of the ESOP on the date of Grant using the Black Scholes Model with the following assumptions :

Particulars	As At March 31, 2022	As At March 31, 2021
Share price Rs	No options	59.60
Range of Exercise Price	outstanding	Rs. 25.40-85.35
Expected volatility %	as at March 31,	54.25
Expected life of the options (years)	2022	1 year
Expected Dividend %		Not applicable
Risk Free Interest Rate %		6.37
Range of call option value as on date of Grant		Rs. 55.16-109.49

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in INR Thousands, unless otherwise stated)

	Particulars	As at March 31, 2022	As at March 31, 2021
17	**Borrowings**		
	Secured		
	Term loan from a bank*	6,898	20,376
	Less : Current maturities of long term loans	(6,898)	(13,455)
	Total	**-**	**6,921**

* Presently having floating interest rate of 10% p.a. (previous year 10.3% p.a. and to be payable in remaining 6 (previous year 18) equal installments of Rs 1,244 thousands and Secured by way of deposit of title deeds of investment property)

18	**Lease liabilities - non current**		
	Lease liabilities (Refer note 43)	19,227	4,176
	Total	**19,227**	**4,176**
19	**Borrowings**		
	Current maturities of long term borrowings	6,898	13,455
	Total	**6,898**	**13,455**
20	**Lease liabilities**		
	Current maturities of lease liabilities (Refer note 43)	4,513	5,195
	Total	**4,513**	**5,195**
21	**Trade payables**		
	Total outstanding dues of micro enterprise and small enterprises	835	148
	Total outstanding dues of creditors other than micro enterprises and small enterprises	5,912	6,582
	Total	**6,747**	**6,730**

Note:

1. *Refer note no: 36 for trade payable aging & Refer note no: 43 for related party balances
2. The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	835	148
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in INR Thousands, unless otherwise stated)

	Particulars	As at March 31, 2022	As at March 31, 2021
22	**Other financial liabilities**		
	Interest accrued but not due on borrowings	39	119
	Security deposits towards office premises	2,650	2,535
	Unearned revenue	-	1,171
	Other payables	-	101
	Total	**2,689**	**3,926**
23	**Other current liabilities**		
	Statutory dues payable	1,206	839
	Total	**1,206**	**839**
24	**Provisions**		
	Provision for employee benefits:		
	Compensated absences	1,234	1,805
	Gratuity (Refer note 37)	1,099	2,239
	Total	**2,333**	**4,044**
25	**Current tax liabilities**		
	Provision for Income tax	2,624	1,471
	(Net of advance tax paid of Rs 5971 Thousands; Previous Year Rs 5629 Thousands)		
	Total	**2,624**	**1,471**

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts in INR Thousands, unless otherwise stated)

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
26	**Revenue from operations**		
	Software and IT enabled services	1,00,581	96,551
	Total	**1,00,581**	**96,551**
27	**Other income**		
	Interest income	3,660	2,979
	Provisions no longer required written back	198	110
	Gain on variation in foreign exchange rates (net)	1,546	-
	Profit on Sale of Property, Plant and Equipment (net)	-	7
	Rent received	11,284	11,284
	Less: expenses attributed to rental income :		
	Finance cost	(1,373)	(2,871)
	Amortisation	(1,881)	(1,881)
	Net rental income	8,030	6,532
	Total	**13,433**	**9,628**
28	**Employee benefits expense**		
	Salaries and wages	55,663	51,556
	Contributions to provident and other funds	5,951	5,906
	Staff welfare expenses	1,021	653
	Total	**62,635**	**58,115**
29	**Finance cost**		
	Interest component of lease liabilities (Refer note 43)	907	1,176
	Total	**907**	**1,176**
30	**Other expenses**		
	Repairs & maintenance - building	1,459	1,290
	Repairs & maintenance - computers	136	82
	Repairs & maintenance - others	253	245
	Insurance	119	127
	Rates and taxes	300	431
	Power & fuel expenses	1,334	1,330
	Membership & subscription fees	461	579
	Travelling & conveyance expenses	311	23
	Communication cost	1,716	1,378
	Advertising & publicity expenses	213	250
	Office upkeep & maintenance expenses	2,696	3,290
	Auditors' remuneration (Refer note 45)	920	920
	Legal & professional charges	1,543	1,322
	Director's sitting fees	1,560	1,470
	Listing fees	693	694
	Loss on variation in foreign exchange rates (net)	-	1,307
	Office, Administrative & Other Expenses	427	263
	Total	**14,141**	**15,001**

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in INR Thousands, unless otherwise stated)

	Particulars	2021-22	2020-21
31	**Income Taxes**		
	Tax expense recognised in the statement of profit and loss:		
	Current tax	8,280	7,100
	Deferred Tax	403	262
	Total tax expense	**8,683**	**7,362**

A reconciliation of the income tax amount between the enacted income tax rate and the effective income tax of the Company is as follows :

Enacted income tax rate in India	27.82%	27.82%
Profit /(loss) before tax and OCI	(6,30,669)	6,32,516
Income tax as per above rate	(1,75,452)	1,75,966
Adjustments:		
Deferred tax asset not recognised reversed on Provision for diminution in value of	1,83,826	(1,68,830)
Investments	-	
Impact of IND AS 116 - Lease rent classified as Right to Use assets and lease liability	(1)	(38)
Other reconciling items	310	264
Income tax as per statement of profit and loss	**8,683**	**7,362**

The following movement is in deferred tax assets and liabilities during the year ended March 31, 2021 and March 31, 2022 is as under:

Particulars	As at March 31, 2020	(Credit)/ charge for the year	As at March 31, 2021
Deferred tax assets			
Amount allowable on payment basis-employee Benefits	1,569	(444)	1,125
Provision for diminution in value of Investments and doubtful debts allowable on write-off	1,96,397	(1,68,830)	27,567
Differences in written down value of Property, Plant and Equipment	-	90	90
MAT credit Entitlement	14,820	(3,457)	11,363
Total deferred tax asset	**2,12,786**	**(1,72,641)**	**40,145**
Deferred tax liability			
Differences in written down value of Property, Plant and Equipment	(1)	1	-
Total deferred tax liability	**(1)**	**1**	**-**
Deferred Tax assets not recognised as a matter of prudence	(1,96,397)	1,68,830	(27,567)
Net Deferred tax asset recognised in the Balance Sheet	16,388	(3,810)	12,578

Particulars	As at March 31, 2021	(Credit)/ charge for the year	As at March 31, 2022
Deferred tax assets			
Amount allowable on payment basis-employee benefits	1,125	(476)	649
Provision for diminution in value of Investments and doubtful debts allowable on write-off	27,567	1,83,826	2,11,393
Differences in written down value of Property, Plant and Equipment	90	132	222
MAT credit Entitlement	11,363	(2,449)	8,914
Total deferred tax asset	**40,145**	**1,81,034**	**2,21,179**
Deferred tax liability			
Differences in written down value of Property, Plant and Equipment	-	-	-
Total deferred tax liability	**-**	**-**	**-**
Deferred Tax assets not recognised as a matter of prudence	(27,567)	(1,83,826)	(2,11,393)
Net Deferred tax asset recognised in the Balance Sheet	12,578	(2,792)	9,786

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in INR Thousands, unless otherwise stated)

32 Financial Instruments

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.

The carrying amounts and fair values of financial instruments by category are as follows:

A Financial assets

Particulars	Note No.	Instruments carried at fair value		Instruments carried at amortised cost		Total fair value
		At cost	FVTPL	Carrying amount	Total carrying amount	
As at March 31, 2021						
Investment in subsidiaries	6	6,60,777	-	-	6,60,777	6,60,777
Trade receivables	11	-	-	49,497	49,497	49,497
Cash & cash equivalents	12	-	-	21,043	21,043	21,043
Other bank balances	13	-	-	30,429	30,429	30,429
Other financial assets	8 , 14	-	-	15,036	15,036	15,036
Total		**6,60,777**	**-**	**1,16,005**	**7,76,782**	**7,76,782**
As at March 31, 2022						
Investment in subsidiaries	6	7	-	-	7	7
Trade receivables	11	-	-	51,884	51,884	51,884
Cash & cash equivalents	12	-	-	10,768	10,768	10,768
Other bank balances	13	-	-	17,733	17,733	17,733
Other financial assets	8 , 14	-	-	48,975	48,975	48,975
Total		**7**	**-**	**1,29,360**	**1,29,367**	**1,29,367**

B Financial liabilities

Particulars	Note No.	Instruments carried at fair value		Instruments carried at amortised cost		Total Fair value
		FVTPL	Total carrying amount and fair value	Carrying amount	Total carrying amount	
As at March 31, 2021						
Non-current liabilities-Financial liabilities						
Borrowings	17	-	-	6,921	6,921	6,921
Lease liabilities	18			4,176	4,176	4,176
Current liabilities-Financial liabilities						
Borrowings	19	-	-	13,455	13,455	13,455
Lease liabilities	20	-	-	5,195	5,195	5,195
Trade payables	21					
Total outstanding dues of micro enterprise and small enterprises		-	-	148	148	148
Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	6,582	6,582	6,582
Other financial liabilities	22	-	-	3,926	3,926	3,926
Total		**-**	**-**	**40,403**	**40,403**	**40,403**

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in INR Thousands, unless otherwise stated)

Particulars	Note No.	Instruments carried at fair value		Instruments carried at amortised cost		
		FVTPL	Total carrying amount and fair value	Carrying amount	Total carrying amount	Total Fair value
As at March 31, 2022						
Non-current liabilities-Financial liabilities						
Borrowings	17	-	-	-	-	-
Lease liabilities	18	-	-	19,227	19,227	19,227
Current liabilities-Financial liabilities						
Borrowings	19			6,898	6,898	6,898
Lease liabilities	20			4,513	4,513	4,513
Trade payables	21					
Total outstanding dues of micro enterprise and small enterprises		-	-	835	835	835
Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	5,912	5,912	5,912
Other financial liabilities	22	-	-	2,689	2,689	2,689
Total		**-**	**-**	**40,074**	**40,074**	**40,074**

33 Trade Receivables aging

Outstanding for following periods from due date of transactions As at March 31, 2022						
Particulars	**Less than 6 months**	**6 months -1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables –considered good	51,884	-	-	-	-	51,884
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-
(iii) UndisputedTrade Receivables –credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables –considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**51,884**	**-**	**-**	**-**	**-**	**51,884**

Outstanding for following periods from due date of transactions As at March 31, 2021						
Particulars	**Less than 6 months**	**6 months -1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables –considered good	49,497	-	-	-	-	49,497
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	
(iii) UndisputedTrade Receivables –credit impaired	-	-	-	-	-	
(iv) Disputed Trade Receivables –considered good	-	-	-	-	-	
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	
Total	**49,497**	**-**	**-**	**-**	**-**	**49,497**

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts in INR Thousands, unless otherwise stated)

34 Trade payable ageing schedule :

Outstanding for following periods from due date of transactions As at March 31, 2022					
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	835	-	-	-	835
(ii) Others	5,912	-	-	-	5,912
(iii) Disputed Dues-MSME	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-
Total	**6,747**	**-**	**-**	**-**	**6,747**

Outstanding for following periods from due date of transactions As At March 31, 2021					
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) MSME	148	-	-	-	148
(ii) Others	6,582	-	-	-	6,582
(iii) Disputed Dues-MSME	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-
Total	**6,730**	**-**	**-**	**-**	**6,730**

35 Risk Management

Financial risk management objectives and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's activity expose it to market risk, liquidity risk, commodity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, The Company's financial risk management policy is set by the Chairman along with CFO and governed by overall directions of Board of Directors of the Company.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

S.No	Risk	Exposure arising from	Measurement	Management
A	Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis Credit ratings	Diversification of bank deposits, credit limits.
B	Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of bank deposits and timely receipt.
C	Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Closely tracks movement of rate changes with the bank.
D	Market risk – foreign exchange	Future commercial transactions recognised financial assets and liabilities not denominated in INR.	Sensitivity analysis	Management tracks foreign currency movements closely
E	Investment risk	Investment in Subsidiaries	Value of investment	Management of the company keeps constant liaison and necessary information on timely basis.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts in INR Thousands, unless otherwise stated)

A. Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual credit period and limits are set accordingly. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information to decide on this such as:

i) Actual or expected significant adverse changes in business
ii) Actual or expected significant changes in the operating results of the counterparty
iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations
iv) Significant increase in credit risk on other financial instruments of the same counterparty.

The Company categorises financial assets based on the assumptions, inputs and factors specific to the class of financial assets into High-quality assets, negligible credit risk; Quality assets, low credit risk; Standard assets, moderate credit risk; Substandard assets, relatively high credit risk; Low quality assets, very high credit risk; Doubtful assets, credit-impaired.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than one year past due. Where loans or receivables have been written off, the Company continues engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

Trade receivables under simplified approach is as under :

Due from the date of invoice	As At March 31, 2022	As At March 31, 2021
0-12 months	51,884	49,497
beyond 12 months	-	-
Total	**51,884**	**49,497**

Information about Major Cusotmers

Revenue from Software and IT enabled services to largest customers (greater than 10% of total services) is Rs. 100,581 Thousands (Previous Year Rs. 96,551 Thousands)

B. Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price. The Company's liquidity, funding as well as settlement management processes policies and such related risk are overseen by management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Financing arrangements

Contractual maturity patterns of borrowings

Particulars	0-1 years	1-5 years	Total
Long term borrowings (Including current maturity of long tern debt)			
As at March 31, 2022	6,898	-	**6,898**
As at March 31, 2021	13,455	6,921	**20,376**

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in INR Thousands, unless otherwise stated)

Contractual maturity patterns of Financial Liabilities

Particulars	As At March 31, 2022 0-12 Months	As At March 31, 2021 0-12 Months
Trade Payable	6,747	6,730
Other financial liabilities	2,689	3,926
Total	**9,436**	**10,656**

C. Market risk-interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regard to interest income and interest expenses and to manage the interest rate risk, Company performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Exposure to interest rate risk

Particulars	As At March 31, 2022	As At March 31, 2021
Borrowings bearing variable rate of interest	6,898	20,376

Interest rate sensitivity

A change of 50 bps in interest rates would have following Impact on profit before tax

Particulars	2021-22	2020-21
50 bp increase- decrease in profits	(68)	(132)
50 bp decrease- Increase in profits	68	132

D. Market risk-foreign currency risk

The Company accrue all of its revenue in US Dollars and its expenditure is incurred in the Indian Rupees. Therefore. there is risk exposure due to adverse fluctuation of exchange rate between the US Dollar and the Indian Rupees. In order to mitigate the risk the management tracks foreign currency movement closely.

Foreign currency exposure

Particulars	USD in Thousands		₹ In INR	
	2021-22	2020-21	2021-22	2020-21
Open Foreign Exchange Exposures - Receivable	$684	$673	51,884	49,497

Foreign currency risk sensitivity

A change of 1% in foreign currency exchange rate would have following impact on profit before tax for the year:

Particulars	2021-22		2020-21	
	1% Increase	1% decrease	1% Increase	1% decrease
USD	519	(519)	495	(495)
Increase / (decrease) in profit or loss	519	(519)	495	(495)

Derivative financial instruments

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

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in INR Thousands, unless otherwise stated)

E. COVID Risk

Due to re-surge in global outbreak of Covid -19, a pandemic, operations of the Company were impacted. The Company is "providing work from home facility to its employees in compliance with guidelines issued by the respective authorities." The" Company has assessed the recoverability of financial investments in subsidiaries of Rs. 7 Thousands and trade receivables measured at amortised cost of Rs. 51,884 Thousands, the Company does not anticipate any material financial or operational issues in the short term as well as on a long term basis. The impact of the global health pandemic may be different from that estimated as at the date of approval of these standalone financial statements. Considering the continuing uncertainties, the Company will continue to closely monitor any material changes to future economic conditions.

36 Capital risk management

A The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders maintain an optimal capital structure to reduce the cost of capital. The Company monitors capital on the basis of the following debt equity ratio:

Particulars	As At March 31, 2022	As At March 31, 2021
Debt	6,898	20,376
Total Equity	2,04,822	8,44,176
Debt to Total Equity	0.03	0.02

The Company believes in conservative leverage policy. Its debt equity ratio is lower than the industry average. Company's moderate capex plan over the medium term shall be largely funded through internal accruals and suppliers credit. The Company is committed to become virtual debt free company in a year which shall further improve its capital structure.

B. The Company follows the policy, as decided by Board of directors considering financial performance, available resources, other internal and external factors and upon recommendation from Audit Committee for the declaration of dividend.

37 Disclosure pursuant to ind AS - 19 "employee benefits"

i) Gratuity: In accordance with the applicable laws, the Company provides for gratuity, a defined benefit retirement plan ("The Gratuity Plan") covering eligible employees. The gratuity plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the gratuity plan are determined by actuarial valuation on the reporting date and the company makes annual contribution to the gratuity fund administered by life Insurance companies under their respective group gratuity schemes.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in INR Thousands, unless otherwise stated)

The disclosure in respect of the defined gratuity plan are given below :

A. Balance sheet **Defined benefit plans**

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of plan liabilities	7,009	6,688
Less Fair value of plan assets	5,910	4,448
Asset/(Liability) recognised	(1,099)	(2,239)

B. Movements in plan assets and plan liabilities	Present value of obligations	Fair Value of Plan assets
As at March 31, 2021	**6,688**	**4,448**
Current service cost	683	-
Past service cost	-	-
Interest cost	465	-
Interest income	-	309
Return on plan assets excluding amounts included in net finance income/cost	-	(51)
Actuarial (gain)/loss arising from changes in demographic assumptions	(7)	-
Actuarial (gain)/loss arising from changes in financial assumptions	(311)	-
Actuarial (gain)/loss arising from experience adjustments	480	-
Employer contributions	-	2,192
Benefit payments	(989)	(989)
As at March 31, 2022	**7,009**	**5,910**

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in INR Thousands, unless otherwise stated)

Particulars	Present value of obligations	Fair Value of Plan assets
As at March 31, 2020	**6,062**	**2,408**
Current service cost	763	-
Past service cost	-	-
Interest cost	413	-
Interest income	-	164
Return on plan assets excluding amounts included in net finance income/cost	-	25
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	(96)	-
Actuarial (gain)/loss arising from experience adjustments	(206)	-
Employer contributions	-	2,100
Benefit payments	(249)	(249)
As at March 31, 2021	**6,688**	**4,448**

The liabilities are split between different categories of plan participants as follows:

• active members - 178 (2020-21: 122)

C. Statement of profit and loss

Employee benefit expenses:		
Current service cost	683	763
Interest cost/(income)	156	249
Total amount recognised in Statement of profit & loss	**838**	**1,013**
Remeasurement of the net defined benefit liability:		
Actuarial (Gains)/Losses on Obligation For the Period	163	(303)
Return on Plan Assets, Excluding Interest Income	51	(25)
Total amount recognised in Other Comprehensive Income	**214**	**(328)**

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in INR Thousands, unless otherwise stated)

D. Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

Particular	As at March 31, 2022	As at March 31, 2021
Financial Assumptions		
Discount rate	7.35%	6.82%
Expected rate of return on plan assets	7.35%	6.82%
Salary escalation rate	5.00%	5.00%
Rate of Employee Turnover		
- For service 4 years and below	8.00%	8.00%
- For service 5 years and above	2.00%	2.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

E. Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

Impact on defined benefit obligation	Increase / (Decrease) in liability	
	As at March 31, 2022	As at March 31, 2021
Projected benefit obligation on current assumptions	**7,009**	**6,688**
+1% Change in rate of discounting	(689)	(671)
–1% Change in rate of discounting	820	804
+1% Change in rate of Salary increase	832	812
–1% Change in rate of Salary increase	(709)	(688)
+1% Change in Attrition Rate	170	132
–1% Change in Attrition Rate	(197)	(155)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts in INR Thousands, unless otherwise stated)

F. Maturity Analysis of the Benefit Payments: From the Fund

Particulars	As at March 31, 2022	As at March 31, 2021
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	835	1,023
2nd Following Year	188	163
3rd Following Year	206	175
4th Following Year	215	192
5th Following Year	225	200
Sum of Years 6 To 10	2,196	1,802
Sum of Years 11 and above	15,519	14,306

ii) Compensated Absences: The company permits encashment of compensated absence accumulated by their employees on retirement or separation from service. The liability in respect of the company, for outstanding balance of leave at the balance sheet date us determined and provided on the basis of actuarial valuation as at the balance sheet date performed by an independent actuary.

iii) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code and recognise the same when the Code becomes effective.

38 Earnings per share (EPS)	2021-22	2020-21
Net profit/(loss) as per statement of profit and loss before exceptional items but after tax	21,418	18,147
Net profit/(loss) as per statement of profit and loss after exceptional items and tax	(6,39,352)	6,25,013
Weighted average number of equity shares	1,25,90,139	1,25,88,972
Add : effect of dilutive issue of options	-	3,083
Diluted weighted average number of equity shares	1,25,90,139	1,25,92,055
Nominal value of equity shares (in Rs)	10.00	10.00
Basic and diluted earning per equity share - before exceptional items	1.70	1.44
Basic and diluted earning per equity share - after exceptional items	(50.78)	49.65

39 Pending Litigations/contingent liabilities not provided for in respect of :

The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its standalone financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its standalone financial statements

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in INR Thousands, unless otherwise stated)

40 Commitments

a) The company has acquired certain premises under lease arrangements which are renewable / cancellable at the company's and/or lessor's option as mutually agreed. The future lease rental payments that the company is committed to make in respect of these are

Particulars	2021-22	2020-21
- within one year	6,211	6,052
- later than one year and not later than five years	23,189	4,536

b) The company has given leasehold building on rent. The future rental income receivables as per the terms of the agreement are as follows:

Particulars	2021-22	2020-21
- within one year	11,284	6,582
- later than one year and not later than five years	45,134	-

41 Disclosure on related party transactions

Names of related parties and description of relationship:

Parties where controls exists: subsidiaries/step down subsidiaries

HOVS Holdings Limited

HOVS LLC

HOV Environment Solutions Private Limited

HOV Environment, LLC

Entities in which KMPs are interested /Key Managerial Personnels (KMP) and their relatives with whom transactions have been entered during the year in the ordinary course of Business:

HGM Fund

HOVG, LLC dba Bay Area Credit Service, LLC

SourceHOV, LLC

Exela Technologies India Private Limited

(Formerly known as BancTec TPS India Private Limited)

Relatives of KMP :

Mrs. Rekha Sharma

Mr. Dinesh Bafna

Mrs. Deepali Bafna

Directors/Key Managerial Personnels (KMP) :

Mr. Vikram Negi (Chairman and Executive Director)

Mr. Sunil Rajadhyaksha (Executive Director)

Mr. Surinder Rametra (Executive Director)

Mr. Nilesh Bafna (Chief Financial Officer)

Mr. Bhuvanesh Sharma

(VP-Corporate Affairs and Company Secretary)

Non Executive Directors :

Mr. Ajay Puri (from July 26, 2021)

Mr. Baldev Raj Gupta (Upto July 25, 2021)

Mrs. Lakshmi Kumar

Mr. Harjit Singh Anand

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts in INR Thousands, unless otherwise stated)

During the year, the following transactions were carried out with the above related parties :

Name of Party	Nature of Transactions	For the year ended March 31, 2022	For the year ended March 31, 2021
SourceHOV, LLC	Services provided	84,504	80,553
HOVS LLC	Provision/(Write-back) for Investments	6,60,770	(6,06,866)
HOVG, LLC dba Bay Area Credit Service, LLC	Services provided	16,076	15,998
Exela Technologies India Private Limited	Rent received	11,284	11,284
	Reimbursement of expenses	1,945	1,841
Mr. Baldev Raj Gupta	Sitting fees & ESOP perquisite	360	510
Mrs. Lakshmi Kumar	Sitting fees	540	450
Mr. Harjit Singh Anand	Sitting fees	510	510
Mr. Ajay Puri	Sitting fees	360	-
Mr. Nilesh Bafna	Salary (including perquisites)	3,160	2,521
Mr. Bhuvanesh Sharma	Salary (including perquisites)	2,712	2,716
Mrs. Rekha Sharma	Car rental	288	288
Mrs. Deepali Bafna	Car rental	-	288
Mr. Dinesh Bafna	Car rental	288	-

Name of the Party	Nature of Balances	As at March 31, 2022	As at March 31, 2021
HOVS ,LLC	Investments	6,60,770	6,60,770
HOVS ,LLC	Provision for Investments*	(6,60,770)	-
HOVS Holdings Limited	Investments	7	7
SourceHOV, LLC	Trade receivables	43,697	41,559
	Unbilled revenue	97	-
HOV Environment Solutions Private Limited	Loan receivables	99,089	99,089
	Provision for doubtful debts #	99,089	99,089
HOVG, LLC dba Bay Area Credit Service, LLC	Trade receivables	8,187	7,939
	Unearned revenue	-	1,171
Exela Technologies India Private Limited	Deposit Refundable	2,650	2,650
Mr. Sunil Rajadhyaksha	Remuneration payable	193	239
Mrs. Rekha Sharma	Car rental payable	24	24
Mrs. Deepali Bafna	Car rental payable	-	24
Mr. Dinesh Bafna	Car rental payable	24	-

Notes:

a) Related party relationship is as identified by the management and relied upon by the auditors.

b) *During the year, the fair value of investments in a subsidiary i.e. HOVS LLC has decreased (due to decrease in quoted prices of underlying invesment held by the aforesaid susbsidiary) and accordingly, provision of Rs. 660,770 thousands for diminution in its value have been made - Refer Exceptional item.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts in INR Thousands, unless otherwise stated)

c) # During the financial year 2017-18 the Company has made provision of Rs.99,089 thousands towards loan receivable including interest receivable thereon from a subsidiary (HOV Environment Solutions Private Limited) in view of the substantial slow down in its business activities.

d) No amounts in respect of related parties have been written off/ written back during the year or has not made any provision for doubtful debts/ receivable except as disclosed above.

42 It has only one reportable segment i.e. 'IT and IT Enabled services' in terms of requirement of IND AS 108.

43 The Company has adopted IND AS 116 "Leases" using modified retrospective approach. The Company's lease assets classes primarily consist of leases for buildings and vehicles. The Company has used following practical expedient when applying IND AS 116 to leases :

(a) the Company did not recognize Right to Use and lease liabilities for lease for which the lease terms ends within 12 months on the date of transaction and low value assets

(b) the Company uses hindsight in determing the lease term where the contract contains options to extend or terminate the lease.

The weighted average lessee's incremental borrowing rate applied to the lease liabilities is 12% On transition to the IND As 116, the impact thereof is as follows :

Particulars	**As At March 31, 2022**	**As At March 31, 2021**
Right of Use - assets	22,985	8,488
Lease Liabilities	23,740	9,371
Following is the movement in lease liabilities		
Opening Balance	9,371	11,360
Additions	20,249	3,497
Interest accrued during the year	907	1,176
Deletions	(520)	(318)
Payment of Lease liabilities	(6,151)	(6,344)
Closing Balance	23,856	9,371
- Current lease liabilities	4,513	5,195
- Non Current lease liabilities	19,227	4,176
Breakup of the contractual maturities of lease liabilities on an undiscounted basis:		
Less than one year	6,211	6,052
One to five years	23,189	4,536
More than five years	-	-
Short term lease expense incurrered :		
Rental expense	-	-
Vehicle Expense	1,196	1,332

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts in INR Thousands, unless otherwise stated)

44 Assets provided as security

The carrying amounts of assets provided as security for current and non-current borrowings are:

Particulars	As At March 31, 2022	As At March 31, 2021
Investment Property	85,752	87,633
Total	**85,752**	**87,633**

45	Payment to auditors	2021-22	2020-21
	(Excluding Taxes)		
	Audit fees	500	500
	Limited review fees	300	300
	Certification fees	120	120
	Total payment to auditors	**920**	**920**

46 Certain financial assets and financial liabilities are subject to formal confirmations and reconciliations, if any. The Management, however, is confident that the impact whereof for the year on the financial statements will not be material.

47 Ratios

The ratios for the years ended March 31, 2022 and March 31, 2021 are as follows:

Particular	Numerator	Denominator	2021-22	2020-21	Variance (in %)
(a) Current Ratio	Total of Current Assets	Total of Current liabilities	3.15	3.01	4.6
(b) Debt Service Coverage Ratio	Profit/(Loss) before exceptional items and tax	Debt Service (Borrowings+ Interest payable)	4.34	1.89	129.6
(c) Return on Equity Ratio	Profit/(Loss) after tax	Total Equity	(3.12)	0.74	(521.6)
(d) Trade Receivables Turnover Ratio	Revenue from Operations	Average Trade Receivables	1.98	1.79	10.6
(e) Trade Payable Turnover Ratio	Purchase of services and other expenses	Average trade payable	11.39	9.28	22.8
(f) Net Capital Turnover Ratio	Revenue from Operations	Working capital	1.73	1.35	28.6
(g) Net Profit Ratio	Net profit after tax but before exceptional item	Revenue from Operations	0.21	0.19	13.3
(h) Return on Capital Employed	Profit/(Loss) before interest, tax and exceptional item	Capital employed (total assets less current liabilities)	0.14	0.03	341.2
(j) Return on Investment	Income from investments	Cost of investments	NA	NA	NA

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in INR Thousands, unless otherwise stated)

Note :- Detail explanations for the ratios with significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in the above mentioned ratios

(b) Due to repayment of borrowings as per the terms.

(c) Due to provision made for diminution in value of investment in subsidiary

(f) In current year more fixed deposits are classified as non current due to maturities of more than 12 months and due to increase in lease liability.

(h) Value of investment in subsidiary is decreased in current year due to provision made for diminution in value of investment.

48 a) There are no transactions or balance with struck off companies

b) No proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988, as amended, and rules made thereunder.

c) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

d) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year

e) There were no transactions relating to previously unrecorded income that have been surrendered and disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

f) The Company has not advanced or loaned to or invested in funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

g) The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall

(i) directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

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

Signature to Notes 1 - 49

For and on behalf of the Board

Vikram Negi
Chairman & Executive Director
(DIN:01639441)

Place : California, USA
Date : May 27, 2022

Sunil Rajadhyaksha
Executive Director
(DIN:00011683)

Place : San Diego, USA
Date : May 27, 2022

Bhuvanesh Sharma
VP-Corporate Affairs & Company Secretary

Place : Pune
Date : May 27, 2022

Nilesh Bafna
Chief Financial Officer

Place : Pune
Date : May 27, 2022

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/ associate companies / joint ventures
Part "A": Subsidiaries

Note: This form is to be certified in the manner in which the Balance Sheet is to be certified.

(Information in respect of each subsidiary to be presented with amounts in Rs. Lakhs)

Sr. No.	Name of the subsidiary company	HOVS LLC	HOV Environment LLC	HOVS Holdings Limited	HOV Environment Solutions Private Ltd
					Amounts in Lakhs
	Financial year ending on	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022
	Currency	US$	US$	US$	INR
	Exchange rate on last day of financial year	75.8071	75.8071	75.8071	1.00
1	Share Capital	11,161.68	682.26	0.10	1.00
2	Reserves & Surplus	(11,424.63)	(833.80)	750.80	(1,115.14)
3	Total Assets	1,819.02	1.38	750.90	197.73
4	Total Liabilities	1,819.02	1.38	750.90	197.73
5	Details of Investment (Except Investment in subsidiary)	-	-	-	-
6	Turnover			-	
7	Profit before taxation	-	-	-	0.72
8	Provision for taxation	-		-	
9	Profit after taxation	-	-	-	0.72
10	Proposed dividend	-		-	
11	Percentage of share holding	100%	61.10% (By HOVS LLC)	100%	100% (By HOV Environment LLC)

Notes: The following information shall be furnished at the end of the statement

1. *Names of subsidiaries which are yet to commence operations: Nil*
2. *Names of subsidiaries which have been liquidated or sold derig the year: Nil*

Part "B": Associates and Joint Ventures

Statement pursuant to section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures: Not Applicable

For and on behalf of the Board of Directors
Vikram Negi
Chairman & Executive Director
(DIN: 01639441)
Date: May 27, 2022

Notice of 34th Annual General Meeting

NOTICE is hereby given that the Thirty-Fourth (34th) Annual General Meeting (the "AGM") of the Members of HOV Services Limited will be held on July 20, 2022, the Wednesday at 10:00 AM IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. **To consider and adopt the a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022, together with the Reports of the Board of Directors and the Auditors' thereon; and b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022 together with the Report of the Auditors thereon.**

   To consider and if thought fit to pass the following resolution as an **Ordinary Resolutions**.

   a) **"RESOLVED THAT** the Audited Financial Statements of the Company for the financial year ended March 31, 2022 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted."

   b) **"RESOLVED THAT** the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022 and the report of the Auditors thereon, as circulated to the members, be and are hereby considered and adopted."

2. **Appointment of Director**

   To re-appoint Mr. Surinder Rametra (DIN: 00019714), Director, who retires by rotation and, being eligible, seeks re-appointment.

   To consider and if thought fit to pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Surinder Rametra, Director, who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

3. **Appointment of Statutory Auditors**

   To appoint M/s Lodha & Company, Chartered Accountants as the Statutory Auditors of the Company for a term of 5 years.

   To consider and if thought fit to pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of section 139, 142 and other applicable provisions, if any, of Companies Act, 2013, read with Rule 6 of Companies (Audit and Auditors) Rules, 2014 (Including any modification or re-enactment thereof, for the time being in force), and pursuant to the recommendation of the Audit Committee, M/s Lodha & Company, Chartered Accountants (Firm Registration Number 301051E) be and is hereby appointed as the Statutory Auditors of the Company for a term of 5 years to hold office from the conclusion of this 34th Annual General Meeting until the conclusion of the 39th Annual General Meeting to be held in year 2027, in place of retiring auditors M/s BAGARIA & Co., Chartered Accountants, (Firm Registration Number 113447W/W-100019), at such remuneration and out of pocket expenses and other expenses as may be mutually agreed between the Board of Directors of the Company and M/s Lodha & Company, Chartered Accountants as the Statutory Auditors of the Company."

   "RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do and perform all such acts, matters, deeds and things, as may be necessary, to amend the terms and

conditions of appointment, if necessary, and to act in its own discretion, including the power to delegate, to give effect to this resolution."

"RESOLVED FURTHER THAT any of the Key Managerial Personnel of the Company, be and is hereby authorized, to do all such acts, deeds, matters or things as may be necessary or desirable to give effect to this resolution."

SPECIAL BUSINESS:

4. Appointment/Re-appointment of Mr. Vikram Negi (DIN 01639441) as a Whole Time Director, of the Company for a further term of five years from September 1, 2022 till August 31, 2027.

To consider and if thought fit to pass the following resolution as a **Special Resolution:**

"RESOLVED THAT as recommended by Nomination and Remuneration Committee, pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), read with schedule V thereto and the Companies (Appointment and Remuneration of Managerial Personnel) amendment Rules, 2018 (including any amendment or statutory modification thereto for the time being in force) and subject to such approval of the Central Government, as may be necessary, Mr. Vikram Negi (DIN 01639441),whose term will get over on August 31, 2022, the approval of the shareholders of the Company be and is hereby accorded for the appointment/re-appointment of Mr. Vikram Negi (DIN 01639441) as a Whole-time Director, with the designation as the Chairman & Executive Director of the Company for a further period of five years term commencing from September 1, 2022 till August 31, 2027 upon the terms and conditions, including remuneration and minimum remuneration in the event of absence or inadequacy of profits within the ceiling limits as prescribed in Schedule V of the Act, with liberty to the Board of Directors, to alter or vary the terms and conditions and remuneration including minimum remuneration in such manner as the Board may deem fit and is acceptable to Mr. Vikram Negi."

"RESOLVED FURTHER THAT in the event of any statutory modification by the Central Government to schedule V to the Act, the Board of Directors be and is hereby authorised to vary or increase the remuneration including salary, commission, perquisites, allowances etc. within such prescribed limits/ ceiling and the agreement between the Company and Mr. Vikram Negi be suitably amended to give effect to such modification without any further reference to the members of the Company in general meeting."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do and perform all such acts, matters, deeds and things, as may be necessary, to amend the terms and conditions of appointment, if necessary, and to act in its own discretion, including the power to delegate, to give effect to this resolution."

"RESOLVED FURTHER THAT any of the Key Managerial Personnel of the Company, be and is hereby authorized, to do all such acts, deeds, matters or things as may be necessary or desirable to give effect to this resolution."

5. Contract of services for revenue in ordinary course of business of the Company with SourceHOV LLC & HOVG LLC, related party/s transactions.

To consider and if thought fit to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and pursuant to Section 188 the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, and subject to other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification

or re-enactment thereof for the time being in force), the Rules thereunder and as recommended by the Audit Committee, the approval of the shareholders of the Company be and is hereby accorded for services contract of yearly value of Rs 15 Crore by the Company with SourceHOV LLC and HOVG LLC for rendering the services by the Company for the financial year 2022-2023 on such terms and conditions as may be mutually agreed upon between the Board of Directors of the Company and SourceHOV LLC and HOVG LLC, being related parties."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to deal in respect of service contracts for further periods as deemed fit by the Board and to perform all such acts, matters, deeds and things, as may be necessary, to amend the terms and conditions of service contracts, if necessary and to act as may be necessary or expedient in its own discretion, without further referring to the Shareholders' of the Company, including the power to delegate, to give effect to this Resolution."

6. Contract of lease agreement of the Company Premises with Exela Technologies India Private Limited, a related party transaction.

To consider and if thought fit to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and pursuant to Section 188 the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, and subject to other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force) the Rules thereunder, the approval of the shareholders of the Company be and is hereby accorded for lease of the Company premises situated at VAT 331, Vashi Infotech Park, Vashi, Navi Mumbai to Exela Technologies India Private Limited for a period of five years on a monthly lease rent of Rs. 9,40,302/- with 5% increase in lease rent over end of each lease year, on such other terms and conditions of lease agreement and with such modifications as may be required as the Board of Directors of the Company deems fit, on the arm's length basis for lease agreement."

"RESOLVED FURTHER THAT any of the Key Managerial Personnel of the Company, be and is hereby authorized, to do all such acts, deeds, matters or things as may be necessary or desirable to give effect to this resolution."

7. Sale of Company Premises to Exela Technologies India Private Limited, a related party transaction.

To consider and if thought fit to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT in accordance with Regulation 23 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and pursuant to Section 188 the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, and subject to other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force) the Rules thereunder, the approval of the shareholders of the Company be and is hereby accorded for sale of immovable property admeasuring 13,243.690 Sq. feet of area situated at VAT 331, 3rd Floor, Tower No.3, Vashi Infotech Park, Vashi, Navi Mumbai (the "Property") of the Company at an aggregate consideration of not less than Rs. 19.86 Crore (the value arrived at by the Independent property valuer) to Exela Technologies India Private Limited on such terms and conditions and with such modifications as may be required as the Board of Directors of the Company deems fit, on the arm's length basis for the sale agreement."

"RESOLVED FURTHER THAT any of the Key Managerial Personnel of the Company, be and is hereby authorized, to do all such acts, deeds, matters or things as may be necessary or desirable to give effect to this resolution."

8. Repayment of advance by HOVS LLC to HGM Fund LLC, a related party transaction.

To consider and if thought fit to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT in accordance with Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the approval of the shareholders of the Company be and is hereby accorded for re-payment of advance of US$ 1.37 Million (approx. Rs. 10.28 Crore, subject to applicable USD-INR exchange conversion rate at the time of repayment) by HOVS LLC to HGM Fund LLC, a related party, on such terms and conditions and with such modifications as may be required as the Board of Directors of the Company deems fit."

"RESOLVED FURTHER THAT any of the Key Managerial Personnel of the Company, be and is hereby authorized, to do all such acts, deeds, matters or things as may be necessary or desirable to give effect to this resolution."

EXPLANATORY STATEMENT Pursuant to Section 102 of the Companies Act, 2013 is annexed to this Notice.

By Order of the Board
For **HOV Services Limited**

Bhuvanesh Sharma
VP-Corporate Affairs &
Company Secretary &
Compliance Officer

Place: Pune
Date: May 27, 2022

Registered Office:
3rd Floor, Sharda Arcade,
Pune Satara Road, Bibwewadi,
Pune – 411037, Maharashtra
CIN: L72200PN1989PLC014448
Email: investor.relations@hovsltd.com
webite : www.hovsltd.com

NOTES TO THE NOTICE OF THE AGM:

1. In view of the prevailing COVID-19 pandemic and restrictions on the movements apart from social distancing norms, the Ministry of Corporate Affairs ("MCA") vide circular Nos. Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 read with Circular No. 20/2020 dated May 05, 2020, (collectively referred to as the "MCA Circulars") permitted the holding of Annual General Meeting ("AGM") through Video Conference ("VC") or Other Audio Visuals Means ("OVAM"), without the physical presence of the Members at a common venue.

Further, the MCA vide its General Circular No. 22/2020 dated June 15, 2020 and General Circular No. 33/2020 dated September 28, 2020 and General Circular No. 39/2020 dated December 31, 2020 and further the MCA vide its General Circulars No.2/2022 dated May 5, 2022 and SEBI vide its Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 extended the above exemptions till December 31, 2022.

2. Accordingly, in accordance with the MCA Circulars, provisions of the Companies Act, 2013 ("Act"), and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the 34th AGM of the Company is being held through VC / OAVM. The Registered office of the Company situated at 3rd Floor Sharda Arcade, Bibwewadi, Pune Satara Road, Pune -411037 shall be deemed as the venue for the Meeting and the proceedings of the AGM shall be deemed to be made thereat.

3. **The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the business under Item Nos. 3 to 8 of the Notice, is annexed hereto.**

4. **A Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and a proxy need not be a Member of the company.** Since, this AGM is being held through VC/OAVM under the framework of the provisions of the MCA Circulars, physical attendance of the Members has been dispensed with. Accordingly, the facilities for appointment of proxies by the Members is not available for the AGM and hence the Proxy Form and Attendance Slip are not provided with this Notice.

5. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.

6. The details of the Directors seeking appointment/re-appointment at this AGM, as required in terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in the Annexure to the Notice.

7. **DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE**

In accordance with the above MCA Circulars and SEBI Circular, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories.

The Notice and Annual Report 2021-22 will also be available on the Company's website www.hovsltd.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and also available on the website of Company's Registrar and Transfer Agent, KFin Technologies Limited ("KFinTech") at https://evoting.kfintech.com

8. GUIDELINE FOR RECEIVING ALL COMMUNICATION (INCLUDING ANNUAL REPORT) FROM THE COMPANY ELECTRONICALLY:

a) Those Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at investor.relations@hovsltd.com or to KFinTech at einward.ris@kfintech.com

b) Those Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant.

9. PROCEDURE FOR JOINING/ATTENDING THE AGM THROUGH VC/ OAVM

The Company has appointed M/s KFin Technologies Limited, Registrars and Transfer Agents, to provide VC/OAVM to enable the Members to attend and participate in the AGM.

a) **Members will be able to attend the AGM through VC / OAVM or view the live webcast at https://emeetings.kfintech.com by using their e-voting login credentials. Members are requested to follow the procedure given below:**

i. Launch internet browser (chrome/firefox/safari) by typing the URL: https://emeetings.kfintech.com

ii. Enter the login credentials (i.e., User ID and password for e-voting).

iii. After logging in, click on "Video Conference" option.

iv. Then click on camera icon appearing against AGM event of HOV Services Limited, to attend the Meeting.

b) Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the procedure given in the E-voting instructions.

c) Members who would like to express their views or ask questions during the AGM may register themselves by logging on https://emeetings.kfintech.com and clicking on the 'Speaker Registration' option available on the screen after log in. **The Speaker Registration will be open during July 16, 2022 to July 18, 2022**. Only those members who are registered will be allowed to express their views or ask questions. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.

d) Those Members who have registered themselves as a speaker will only be allowed to ask questions /express their views during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

e) Due to limitations of transmission and coordination during the Q&A session, the Company may dispense with the "Speaker Registration" during the AGM.

f) Members will be allowed to attend the AGM through VC / OAVM on first come, first served basis. No restrictions on account of first come first served basis entry into AGM in respect of large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional

Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee; Stakeholders Relationship Committee, and Auditors.

g) Facility to join the AGM through VC / OAVM shall be open 30 minutes before the scheduled time of the AGM and shall be closed after 15 minutes after the scheduled time of AGM.

10. Members who need assistance before or during the AGM, can contact Mr. Mohd Mohsin Uddin, Senior Manager, KFin Technologies Limited at Selenium Tower B, Plot 31-32, Financial District, Nanakramguda Serilingampally Mandal, Hyderabad, 500032, Telangana or send an email to einward.ris@kfintech.com or call on toll free number 1800-309-4001. Kindly quote your name, DP ID-Client ID / Folio no. and E-voting Event Number in all your communications.

11. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

12. Members (members login) attending the AGM through VC / OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act.

13. Corporate/ Institutional Members are required to send a scanned copy (PDF/JPG Format) of its board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered email address to prajot@prajottungarecs.com with a copy marked to evoting@kfintech.com

PROCEDURE FOR REMOTE E-VOTING AND VOTING AT THE AGM

14. Remote e-Voting: Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended) and the MCA Circulars, the Company is providing facility to its Members to exercise their right to vote on resolutions resolutions proposed to be passed at AGM by electronic means ("e-voting"). Members may cast their votes remotely, using an electronic voting system on the dates mentioned herein below ("remote e-voting'').

15. Voting at the AGM: Members who could not vote through remote e-voting may avail the e-voting facility provided by M/s KFin Technologies Limited to vote during AGM.

16. The Company has engaged the services of KFin Technologies Limited as the agency to provide e-voting facility.

17. The remote e-voting facility will be available during the following voting period:

Commencement of remote e-voting	**Sunday, July 17, 2022 at 9:00 AM IST**
End of remote e-voting	**Tuesday, July 19, 2022 at 5:00 PM IST**

The remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be forthwith disabled by the agency upon expiry of the aforesaid period. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.

18. The voting rights of the Members shall be reckoned in proportion to their shares holding either in physical form or in dematerialized form as on the cut-off date i.e. July 13, 2022.

19. The Board of Directors has appointed **Mr. Prajot Tungare, Practicing Company Secretary, Pune as a Scrutinizer** to scrutinize the remote e-voting and voting during AGM in a fair and transparent manner.

20. The scrutinizer shall immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, not later than 48 hours of conclusion of the AGM to the Chairman of the Company or a person authorized by the Chairman. The Chairman or the person authorized by the Chairman, shall declare the result of the voting forthwith.

21. The Results on resolutions shall be declared after the AGM of the Company and subject to the requisite number of votes in favour the resolutions shall be deemed to be passed on the date of the Meeting i.e. **July 20, 2022.**

The Results declared along with the Scrutinizer's Report shall be placed at the Company's website www.hovsltd.com and on the website of Kfintech i.e. https://evoting.kfintech.com and shall be field simultaneously with the stock exchanges.

22. The Register of Members and Transfer Books of the Company will be closed from **July 17, 2022, to July 20, 2022** both days inclusive.

23. Members holding shares in physical form are requested to quote their folio number in all correspondence with the Company and to intimate the following directly to the Company's Registrar and Share Transfer Agent- KFin Technologies Limited, Selenium, Tower B, Plot number 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad 500 032, Telangana:

a. Change, if any in their address;

b. Request for nominations form as per the provisions of the Companies Act, 2013.

c. Members holding share in dematerlized form are requested to contact their Depository Participant for any change in their particulars.

24. At the 29th AGM held on September 1, 2017 the Members approved appointment of M/s BAGARIA & Co., Chartered Accountants, (Firm Registration Number 113447W/W-100019) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that 29th AGM till the conclusion of this 34th AGM in year 2022, hence shall retire. Accordingly, resolutions for appointment of M/s Lodha & Company is being proposed for their appointment as statutory auditors at this 34th AGM.

25. INSPECTION OF DOCUMENTS

The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM.

The certificate from the Auditors of the Company certifying that the Company's HOVS ESOP Plan 2007 is being implemented in accordance with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 will be available electronically for inspection by the members during the AGM.

26. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK NTIME, CDSL. Click on e-Voting service provider name to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43.

Instructions for remote e-voting are as under- For Physical cases (Shares held in Physical Mode)

I. Launch internet browser by typing the URL: https://evoting.kfintech.com

II. Enter the login credentials provided in the email and click on Login.

III. Password change menu appears when you login for the first time with default password. You will be required to mandatorily change the default password.

IV. The new password should comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, $, etc.,).

V. Update your contact details like mobile number, email address, etc. if prompted. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

VI. Login again with the new credentials.

VII. On successful login, the system will prompt you to select the "EVENT" i.e. **"HOV SERVICES LIMITED"**.

VIII. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off date under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR / AGAINST" taken together shall not exceed your total shareholding as mentioned above. If the member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

IX. Members holding multiple folios s may choose to vote differently for each folio / demat account.

X. You may then cast your vote by selecting an appropriate option and click on "Submit. A confirmation box will be displayed. Click "OK" to confirm or "CANCEL" to modify. Once you confirm the voting on the resolution, you will not be allowed to modify your vote thereafter. During the voting period, members can login multiple times and vote until they confirm the voting on the resolution by clicking "SUBMIT".

XI. Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/ JPG format) of certified true copy of relevant board resolution/ authority letter, etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutiniser through email at and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format **'HOV SERVICES LIMITED _EVENT No'**

XII. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members at https://evoting.kfintech.com/public/Faq.aspx or call KFin on 1-800-309-4001 (toll free).

Those members who have not yet registered their email addresses are requested to get their email addresses registered with KFin, by following the procedure mentioned below:

Visit the link: AGM/EGM - Mobile & Email Registration

I. https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx

II. Select the company name i.e. HOV SERVICES LIMITED

III. Select the Holding type from the drop down i.e. - NSDL / CDSL / Physical

IV. Enter DPID - Client ID (in case shares are held in electronic form) / Physical Folio No. (in case shares are held in physical form) and PAN.

V. If PAN details are not available in the system, the system will prompt to upload a self-attested copy of the PAN card for updating records.

VI. In case shares are held in physical form and PAN is not available in the records, please enter any one of the Share Certificate No. in respect of the shares held by you.

VII. Enter the email address and mobile number.

VIII. System will validate DP ID - Client ID/ Physical Folio No. and PAN / Share certificate No., as the case may be, and send the OTP at the registered Mobile number as well as email address for validation.

IX. Enter the OTPs received by SMS and email to complete the validation process. OTPs validity will be for 5 minutes only.

X. The Notice and e-voting instructions along with the User ID and Password will be sent on the email address updated by the member.

XI. Alternatively, members may send an email request addressed to einward.ris@kfintech.com along with scanned copy of the request letter duly signed by the first shareholder, providing the email address, mobile number, self-attested copy of PAN and Client Master copy in case shares are held in electronic form or copy of the share certificate in case shares are held in physical form, to enable KFin to register their email address and to provide them the Notice and the e-voting instructions along with the User ID and Password.

XII. Please note that in case the shares are held in electronic form, the above facility is only for temporary registration of email address for receipt of the Notice and the e-voting instructions along with the User ID and Password. Such members will have to register their email address with their DPs permanently, so that all communications are received by them in electronic form.

XIII. In case of queries, members are requested to write to einward.ris@kfintech.com or call at the toll free number 1-800- 309-4001

27. INFORMATION AND INSTRUCTIONS FOR MEMBERS FOR E-VOTING DURING THE AGM

a) Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

b) The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

28. In case of any query pertaining to remote e-voting, joining AGM through VC and related matters, may refer to the "Help" and "FAQs" sections / E-voting user manual available through a dropdown menu in the "Downloads" section of KFinTech's website for e-voting: https://evoting.kfintech.com or contact Mr. Mohd Mohsin Uddin, Senior Manager, KFin Technologies Limited at Selenium Tower B, Plot 31-32, Financial District, Nanakramguda Serilingampally Mandal, Hyderabad 500 032 or send an email to evoting@kfintech.com or call Toll-free No. 1800-309-4001.

By Order of the Board
For **HOV Services Limited**

Bhuvanesh Sharma
VP-Corporate Affairs &
Company Secretary &
Compliance Officer

Place: Pune
Date: May 27, 2022

Registered Office:
3rd Floor, Sharda Arcade,
Pune Satara Road, Bibwewadi,
Pune – 411037, Maharashtra
CIN: L72200PN1989PLC014448
Email: investor.relations@hovsltd.com
Website : www.hovsltd.com

ANNEXURE TO THE NOTICE OF 34th AGM

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following explanatory statement sets out all material facts relating to the business mentioned under **Item Nos. 3 to 8** of the accompanying Notice of 34th Annual General Meeting:-

Item No. 3 Appointment of M/s Lodha & Company, Chartered Accountants as the Statutory Auditors of the Company

The Statutory Auditors M/s. BAGARIA & Co., Chartered Accountants were appointed by the shareholders in 29th AGM held on September 1, 2017 for a term of five years until conclusion of this 34th AGM of this year 2022. Accordingly, M/s. BAGARIA & Co. would retire at the conclusion of 34th AGM pursuant to the provisions of Section 139 of the Companies Act, 2013.

The Board of Directors of the Company at their meeting held on May 27, 2022 on the recommendations of the Audit Committee, have approved the appointment of M/s Lodha & Company as the Statutory Auditors of the Company for a period of 5 years commencing from the conclusion of 34th AGM till the conclusion of the 39th AGM to be held in year 2027 as the Statutory Auditors in place of M/s. BAGARIA & Co., the retiring auditors.

M/s Lodha & Company, is one of the largest and most respected professional firm with over 80 years of an unblemished track record, ranked continuously among the top audit firms in India having National footprint (Kolkata, Mumbai, Delhi, Chennai, Hyderabad, Jaipur) with strong focus on high quality standards and integrity of work by dedicated team of approx. 350 and regularly Peer Reviewed (2009, 2014, 2018, & 2021).

M/s Lodha & Company, Chartered Accountants, vide their letter dated May 9, 2022 have consented for the appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. It was further confirmed by them that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014 and they have confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.

The remuneration payable to Lodha & Co, if appointed will be same as paid to M/s. BAGARIA & Co. for FY 2021-22 as per below details and the remuneration for the subsequent year(s) of their term shall be determined based on the recommendation of the Audit Committee and as mutually agreed between the Board of Directors of the Company and the Statutory Auditors.

Particulars	**(Amt.in Lakhs)**
Audit Fees (Standalone & Consolidated)	5.00
Limited Review Reports(Standalone & Consolidated)	3.00
Other Certification Services (APR/CGR/DPT)	1.20
Reimbursement of expenses (At Actuals), if any	-
Total	**9.20**

None of the Directors, Key Managerial Personnel of HOVS and their relatives are interested in the aforesaid resolutions, except to the extent of their shareholding, if any, in HOVS.

The Board recommends the resolution set forth in Item No. 3 for approval of the Shareholders'.

Item No. 4 Appointment/Re-appointment of Mr. Vikram Negi (DIN 01639441) as a Whole Time Director, of the Company for a further term of five years from September 1, 2022 till August 31, 2027

Mr. Vikram Negi was appointed as the Whole-time Director designated as Executive Director of the Company for a period of five years from September 1, 2017 until August 31, 2022. His term will get over on August 31, 2022. As required his re-appointment needs to be approved by the shareholders' of the Company in this annual general meeting.

The Nomination and Remuneration Committee in its meeting held on May 27, 2022 had recommended for his appointment. In the opinion of the Board of Directors Mr. Vikram Negi will bring immense value to the Board and the Company will be benefitted by his 22 plus years of invaluable expertise in successfully managing large deals, cross border teams; operational and financial processes and have strong background in M&A, Finance, Treasury and Operations and possess a broad range of interpersonal and advisory skills. Mr. Vikram Negi has given his consent and declared qualified for being appointed.

The Board of Directors of the Company at their meeting held on May 27, 2022 on the recommendations of the Nomination and Remuneration Committee, have approved the appointment/ re-appointment for a further term of five years from September 1, 2022 until August 22, 2027 and accordingly, pursuant to the provisions of Section 196 (2) of the Companies Act, 2013, his re-appointment requires the approval of the Shareholders.

Except Mr. Vikram Negi, Executive Director no other Directors or Key Managerial Personnel or their relatives are directly or indirectly, concerned or interested, financial or otherwise in the proposed resolutions.

None of the Directors, Key Managerial Personnel of HOVS and their relatives are interested in the aforesaid resolutions, except to the extent of their shareholding, if any, in HOVS.

The Board recommends the resolution set forth in Item No. 4 for approval of the Shareholders'.

Item No. 5 Contract of services for revenue of the Company with SourceHOV LLC & HOVG LLC, related party/s transactions in ordinary course of business of the Company

The Company (the "HOVS") in the ordinary course of business has been providing services of IT Support & Maintenance and Data Entry services to the SourceHOV LLC and HOVG LLC. Both are "related party" pursuant to the applicable provisions of Section 188 of the Companies Act, 2013 and Regulation 2(zb) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The total contract value for the year ended March 31, 2022 with SourceHOV was Rs. 8.45 Crore and with HOVG was Rs. 1.61 crore which is exceeding the limits of 10% of consolidated turnover of Rs 10.06 crore. Accordingly, both contracts are material related party transactions in accordance with Regulation 23 of Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and therefore, require approval of Shareholders of the Company. Accordingly, the Board of Directors of the Company at their meeting held on May 27, 2022 on the recommendations of the Audit Committee, have considered for the approval of the shareholders of the Company.

The particulars required pursuant to the Explanation (3) of Rule 15(1) of the Companies (Meetings of Board and its Powers) Rules, 2014 are as detailed below:

Sr. No.	Description	Particulars
1	Name of the related party	SourceHOV LLC & HOVG LLC
2	Name of Promoter/Director/ KMP who is related, if any	Parvinder S Chadha; Adesi 234 LLC; HOF 2 LLC are Promoters of the Company, also holds beneficial ownership of Exela Technologies Inc. Sunil Rajadhyaksha, Promoter Director of the Company. Surinder Rametra, Promoter Director; Stern Capital Partners LLC, Promoters of the Company. General Pacific LLC; Promoter Group entity. Vikram Negi, Chairman & Executive Director of the Company. Nilesh Bafna, Chief Financial Officer and Bhuvanesh Sharma, Company Secretary are KPMs of the Company.
3	Nature of relationship	SourceHOV LLC & HOVG LLC, are entity of Exela Technologies, Inc. HOV Services Limited holds investments in Exela Technologies, Inc.
4	Type, material terms, tenure, monetary value and particulars of the transaction/contract/arrangements	IT support & Maintenance services and Data entry services contract with SourceHOV LLC and Services for developing applications, networking, software support and contract for maintenance services with HOVG LLC. These services are billable services for revenue of value approx. Rs. 15 Crore per annum budgeted with both parties for FY 2022-23.
5	Justification of the proposed transaction beneficial to the Company	The Company have been providing the services on the cost plus mark-up and fixed fees basis and the contracts/transactions generates revenue in the ordinary course of business for the Company receivables in US$ every year.
6	Percentage of HOV Services Limited's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction	60.13 % of the consolidated turnover of the Company per annum.

Sr. No.	Description	Particulars
7	Details of the valuation report or external party report (if any) enclosed with the Notice	NA
8	Any other information relevant or important for the members to take a decision on the proposed resolution	All the contracts/arrangements and the transactions with "related parties" are reviewed and approved by the Audit Committee and the relevant information forming part of the statement setting out material facts which has been mentioned in the above para-graphs.
9	Following additional disclosures to be made in case loans, inter-corporate deposits, advances or investments made or given:	
A	Source of funds in connection with proposed transaction	NA
B	In case any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investment: • Nature of indebtedness • cost of funds and • tenure of the indebtedness	NA
C	Terms of the loan, inter-corporate deposits, advances or investment made or given (including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	NA
D	Purpose for which the funds will be utilised by the ultimate beneficiary of such funds pursuant to the RPT	NA

The Promoters/Promoter Group Entity/Promoter Directors/KPM of the Company, as mentioned above shall not vote to approve on the shareholder resolution in annual general meeting as it is a 'material related party transaction' as per the SEBI (LODR), 2015.

None of the directors, except as stated above, Key Managerial Personnel of HOVS and their relatives are interested in the aforesaid resolutions, except to the extent of their shareholding, if any, in HOVS.

The Board recommends the resolutions set forth in Item No. 5 for approval of the Members in the best interest of the Company.

Item No. 6 Contract of lease agreement of the Company Premises with Exela Technologies India Private Limited, a related party transaction.

The Company Premises bearing No. VAT 331 admeasuring 13,243.69 square feet or thereabouts, on the 3rd Floor of Tower No. 3 of the Building known as "International Infotech Park" (the "Premises") situate at

Vashi Railway Station Complex, Vashi, Navi Mumbai- 400705 was leased on rent to BancTec TPS India Private Limited (name changed to Exela Technologies India Private Limited ("the ETIPL")) vide Leave & License Agreement entered on October 25, 2012. The Company had taken shareholders' approval in 27th AGM held on July 22, 2015 for the said Leave & License Agreement, as being a related party transaction.

Over the lease periods, the Leave & License Agreement was duly renewed, in due course before end of five years lease period. It was last renewed in 2017 vide License Agreement dated March 15, 2017 whose term got over on October 31, 2021. In order to continue business operations, the Parties had intents to renew the Leave & License for further periods. However, the renewal of the said agreement ought to be renewed on October 31, 2021, could not be able to register due to the unprecedented pandemic circumstances.

The both Parties, for the purpose of their continued business operations requirement, the Premises was continued to used by the ETIPL and accordingly the Parties had entered into a Memorandum of Understanding (the "MOU") dated March 8, 2022 agreeing to register new leave & license agreement within 11 months from the date of MOU i.e. March 8, 2022 subject to required approvals. In accordance with the said MOU the monthly license fees of Rs 9,40,302/-(Nine Lakhs Forty Thousand Three Hundred and Two Only) per month was paid by ETIPL from November 1, 2021 to the Company and ETIPL will continue to pay the rent, until the registration of new leave & license agreement.

The Leave and License Agreement to enter into by the Company with ETIPL is a material related party transactions, therefore require Shareholders' approval by way of ordinary resolution in accordance with Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 188 the Companies Act, 2013. Accordingly, the Board of Directors of the Company at their meeting held on May 27, 2022, on the recommendations of the Audit Committee, have considered for the approval of the shareholders of the Company.

The particulars required pursuant to the Explanation (3) of Rule 15(1) of the Companies (Meetings of Board and its Powers) Rules, 2014 are as detailed below:

Sr. No.	Description	Particulars
1	Name of the related party	Exela Technologies India Private Limited
2	Name of Promoter/Director/ KMP who is related, if any	Parvinder S Chadha; Adesi 234 LLC; HOF 2 LLC are Promoters of the Company, also holds beneficial ownership of Exela Technologies Inc. Sunil Rajadhyaksha, Promoter Director of the Company and holds one share as a nominee shareholder of ETIPL. Surinder Rametra, Promoter Director; Stern Capital Partners LLC, Promoters of the Company. General Pacific LLC; Promoter Group entity. Vikram Negi, Chairman & Executive Director of the Company. Nilesh Bafna, Chief Financial Officer and Bhuvanesh Sharma, Company Secretary are KPMs of the Company.

Sr. No.	Description	Particulars
3	Nature of relationship	ETIPL, an entity of Exela Technologies, Inc. HOV Services Limited holds investments in Exela Technologies, Inc.
4	Type, material terms, tenure, monetary value and particulars of the transaction/ contract/arrangements	Leave & License for 5 years with monthly rent of Rs. 9,40,302/-per month, with 5% incremental in rent over end of each year.
5	Justification of the proposed transaction beneficial to the Company	The Leave & License agreement is for the rent receivable by the Company and is accounted as other income. Other terms standard as for the Leave & License.
6	Percentage of HOV Services Limited's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction	891.39% of the consolidated turnover of the Company per annum
7	Details of the valuation report or external party report (if any) enclosed with the Notice	NA
8	Any other information relevant or important for the members to take a decision on the proposed resolution	All RPTs are reviewed by the Audit Committee and the relevant information forming part of the statement setting out material facts which has been mentioned in the above paragraphs.
9	Following additional disclosures to be made in case loans, inter-corporate deposits, advances or investments made or given:	
A	Source of funds in connection with proposed transaction	NA
B	In case any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investment: • Nature of indebtedness • cost of funds and • tenure of the indebtedness	NA
C	Terms of the loan, inter-corporate deposits, advances or investment made or given (including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	NA
D	Purpose for which the funds will be utilised by the ultimate beneficiary of such funds pursuant to the RPT	NA

The Promoters/Promoter Group Entity/Promoter Directors/KPM of the Company, as mentioned above shall not vote to approve on the shareholder resolution in annual general meeting as it is a 'material related party transaction' as per the SEBI (LODR), 2015.

None of the directors, except as stated above, Key Managerial Personnel of HOVS and their relatives are interested in the aforesaid resolutions, except to the extent of their shareholding, if any, in HOVS.

The Board recommends the resolutions set forth in Item No. 6 for approval of the Members in the best interest of the Company.

Item No. 7 Sale of Company Premises to Exela Technologies India Private Limited, a related party transaction.

The Board of your Company considered to liquidate the investment in property for better opportunities for business growth of the Company. As per independent property valuation report dated July 20, 2021 from Ajinkya Raorane & Associates, a Government Registered Valuer the fair market value of property is Rs 19.86 Crore. The Audit Committee in its meeting held on November 13, 2021 had reviewed the proposal of sale of Property with recommendations to the Board to avail shareholders' approval. The Board in its meeting held on November 13, 2021 had approved the sale of the Property to prospective buyer/s for a sum not less than Rs. 19.86 Crore. The Company had given public advertisement in leading newspapers as required to sale the immovable Property. There was no third party buyer/s in pandemic environment.

The Board of Directors of the Company at their meeting held on May 27, 2022, on the recommendations of the Audit Committee, have considered the proposal to sale the property to Exela Technologies India Private Limited (ETIPL) subject to the approval of the shareholders of the Company. The fair value of the property was re-assessed and as per independent property valuation report dated April 27, 2022 a Government Registered Valuer there was no change in the fair market value of Rs 19.86 Crore.

As per Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the sale of the Property to ETIPL is a "material related party transaction" and therefore shall require approval of Shareholders of the Company. Accordingly, the shareholders' approval sought hereunder shall also be considered to be taken under applicable provisions of Section 188 of the Companies Act, 2013.

The particulars required pursuant to the Explanation (3) of Rule 15(1) of the Companies (Meetings of Board and its Powers) Rules, 2014 are as detailed below:

Sr. No.	Description	Particulars
1	Name of the related party	Exela Technologies India Private Limited
2	Name of Promoter/Director/ KMP who is related, if any	Parvinder S Chadha; Adesi 234 LLC; HOF 2 LLC are Promoters of the Company, also holds beneficial ownership of Exela Technologies Inc. Sunil Rajadhyaksha, Promoter Director of the Company and holds one share as a nominee shareholder of ETIPL. Surinder Rametra, Promoter Director; Stern Capital Partners LLC, Promoters of the Company. General Pacific LLC; Promoter Group entity. Vikram Negi, Chairman & Executive Director of the Company. Nilesh Bafna, Chief Financial Officer and Bhuvanesh Sharma, Company Secretary are KPMs of the Company.

Sr. No.	Description	Particulars
3	Nature of relationship	Exela Technologies India Private Limited, an entity of Exela Technologies, Inc. HOV Services Limited holds investments in Exela Technologies, Inc.
4	Type, material terms, tenure, monetary value and particulars of the transaction/contract/arrangements	Sale of 13,243.690 Sq. feet of area situated at VAT 331, 3rd Floor, Tower No.3, Vashi Infotech Park, Vashi, Navi Mumbai; Aggregate consideration of not less than Rs. 19.86 Crore.
5	Justification of the proposed beneficial to the Company	Liquidating the investment for better opportunities for business growth of the Company.
6	Percentage of HOV Services Limited's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction	50.64% of the consolidated turnover of the Company per annum.
7	Details of the valuation report or external party report (if any) enclosed with the Notice	Independent property valuation report dated April 27, 2022 from Ajinkya Raorane & Associates, a Government Registered Valuer to access the fair market value of property.
8	Any other information relevant or important for the members to take a decision on the proposed resolution	All RPTs are reviewed by the Audit Committee and the relevant information forming part of the statement setting out material facts which has been mentioned in the above paragraphs.
9	Following additional disclosures to be made in case loans, inter-corporate deposits, advances or investments made or given:	
A	Source of funds in connection with proposed transaction	NA
B	In case any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investment: • Nature of indebtedness • cost of funds and • tenure of the indebtedness	NA
C	Terms of the loan, inter-corporate deposits, advances or investment made or given (including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	NA
D	Purpose for which the funds will be utilised by the ultimate beneficiary of such funds pursuant to the RPT	NA

The Promoters/Promoter Group Entity/Promoter Directors/KPM of the Company, as mentioned above shall not vote to approve on the shareholder resolution in annual general meeting as it is a 'material related party transaction' as per the SEBI (LODR), 2015.

None of the directors, except as stated above, Key Managerial Personnel of HOVS and their relatives are interested in the aforesaid resolutions, except to the extent of their shareholding, if any, in HOVS.

The Board recommends the resolutions set forth in Item No. 7 for approval of the Members in the best interest of the Company.

Item No. 8 Repayment of advance by HOVS LLC to HGM Fund LLC, a related party transaction.

The Company's, wholly owned subsidiary HOVS LLC had taken advance from HGM Fund LLC repayable on demand and is required to repay outstanding advance amount of US$ 1.37 Million to HGM Fund LLC. In accordance with Regulation 23 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the repay of advance require shareholders' approval.

The Board of Directors of the Company at their meeting held on May 27, 2022, on the recommendations of the Audit Committee, have considered the repayment of outstanding advance amount of US$ 1.37 Million to HGM Fund LLC and as required seeks approval of shareholders of the Company.

The particulars required pursuant to the Explanation (3) of Rule 15(1) of the Companies (Meetings of Board and its Powers) Rules, 2014 are as detailed below:

Sr. No.	Description	Particulars
1	Name of the related party	HGM Fund LLC
2	Name of Promoter/Director/ KMP who is related, if any	Parvinder S Chadha; Promoter of the Company and holds CEO position in HGM. Sunil Rajadhyaksha, Promoter Director of the Company and is partner in HGM. Surinder Rametra, Promoter Director of the Company and is Partner in HGM. Vikram Negi, Executive Director of the Company and is Principal in HGM. Nilesh Bafna, Chief Financial Officer and Bhuvanesh Sharma, Company Secretary are KPMs of the HOVS.
3	Nature of relationship	HGM Fund LLC is an entity of Promoters of the Company.

Sr. No.	Description	Particulars
4	Type, material terms, tenure, monetary value and particulars of the transaction/contract/arrangements	Outstanding advance amount of US$ 1.37 Million (INR approx. 10.28 Crore, subject to exchange rate applicable at time of repayment) payable by HOVS LLC to HGM Fund LLC on its demand.
5	Justification of the proposed transaction beneficial to the Company	HOVS LLC had taken US$ 1.37 Million as advance from HGM Fund LLC for investment in shares of Exela Technologies Inc., repayable on demand. In books of HOVS LLC it is outstanding advance amount, required to repay on demand. Repayment of same will help in reducing the liabilities in the financial statement of HOVS LLC.
6	Percentage of HOV Services Limited's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction	97.84% of the consolidated turnover of the Company per annum.
7	Details of the valuation report or external party report (if any) enclosed with the Notice	NA
8	Any other information relevant or important for the members to take a decision on the proposed resolution	All RPTs are reviewed by the Audit Committee and the relevant information forming part of the statement setting out material facts which has been mentioned in the above paragraphs.
9	Following additional disclosures to be made in case loans, inter-corporate deposits, advances or investments made or given:	
A	Source of funds in connection with proposed transaction	NA
B	In case any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investment: • Nature of indebtedness • cost of funds and • tenure of the indebtedness	NA
C	Terms of the loan, inter-corporate deposits, advances or investment made or given (including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	NA
D	Purpose for which the funds will be utilised by the ultimate beneficiary of such funds pursuant to the RPT	NA

The Promoters/Promoter Group Entity/Promoter Directors/KPM of the Company, as mentioned above shall not vote to approve on the shareholder resolution in annual general meeting as it is a 'material related party transaction' as per the SEBI (LODR), 2015.

None of the directors, except as stated above, Key Managerial Personnel of HOVS and their relatives are interested in the aforesaid resolutions, except to the extent of their shareholding, if any, in HOVS.

The Board recommends the resolutions set forth in Item No. 8 for approval of the Members in the best interest of the Company.

By Order of the Board
For **HOV Services Limited**

Bhuvanesh Sharma
VP-Corporate Affairs &
Company Secretary &
Compliance Officer

Place: Pune
Date: May 27, 2022

Registered Office:
3rd Floor, Sharda Arcade,
Pune Satara Road, Bibwewadi,
Pune – 411037, Maharashtra
CIN: L72200PN1989PLC014448
Email: investor.relations@hovsltd.com
Website : www.hovsltd.com

ANNEXURE TO THE NOTICE OF 34th AGM

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

Profile of directors and additional information as required under Regulation 36 (3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standards-2 on General Meetings, for directors seeking appointment/ re-appointment are as below:

Name of the Director	**Mr. Vikram Negi**	**Mr. Surinder Rametra**
DIN	01639441	00019714
Date of Birth and Age	January 24, 1976; 46 years	November 01, 1940; 81 years
Date of first Appointment on the Board	February 13, 2017	January 3, 2006
Qualifications	MBA (Finance and IT) from Kogod School of Business,American University, Washington DC, USA and B. Com (Hons) from St. Xavier 's College, Kolkata, India	Mechanical Engineering from Punjab Engineering College, India; Master's degree in Industrial Engineering from the Indian Institute of Technology, India and an MBA in Finance from New York University.
Experience	+22 Years	+ 6 decades
Expertise	Expertise in successfully managing large deals, cross boarder teams and operational and financial processes and strong background in M&A, Finance, Treasury and Operations and possess a broad range of interpersonal and advisory skills	Finance, Corporate Governance, Global Business Leadership, Finance Treasury Management and business ethics.
Number of Meetings of the Board attended during the Year	4	2
Shareholding in Company	63,556	1,20,000
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	NIL	NIL
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid/last drawn	As per the Nomination and Remuneration Policy of the Company and as determined by Board of Directors of the Company. No remuneration drawn in previous year.	As per the Nomination and Remuneration Policy of the Company and as determined by Board of Directors of the Company. No remuneration drawn in previous year.

Name of the Director	Mr. Vikram Negi	Mr. Surinder Rametra
Public/Listed Companies Directorship	NIL	NIL
Private Companies Directorship	NIL	NIL
Membership/ Chairmanship of Committees	NIL	NIL

Brief profile of directors getting appointed/re-appointed:

1. Mr. Vikram Negi:

Expertise in successfully managing large deals, cross border teams and operational and financial processes and strong background in M&A, Finance, Treasury and Operations and possess a broad range of interpersonal and advisory skills.

Mr. Vikram Negi has 22 plus years of invaluable expertise in successfully managing large deals, cross border teams; operational and financial processes and have strong background in M&A, Finance, Treasury and Operations and possess a broad range of interpersonal and advisory skills.

Justification for re-appointment of Mr. Vikram Negi as Whole-time Director:-

Mr. Vikram Negi has been associated with the Company from the time of its IPO, since 2006 as in various leadership role and possessed hands full of 22+ years of industry experience and possess expertise in fields of Finance Treasury Management and M&A. The Management have full believe in his expertise and feel that he should continue working with the Company to help in its growth.

2. Mr. Surinder Rametra:

In 1983, Mr. Rametra founded Sun Computers and Software, Inc. and took the company public in 1994 under the name ATEC. He served as ATEC's Chairman and CEO until 2003. Mr. Rametra currently serves as an Executive Director of the HOV Services Limited.

Mr. Rametra' career encompasses leadership of private and public enterprises. He is also a founding member of Silver Oak Hospital in Chandigarh, India and Shanti Foundation, a charitable organizations devoted to health care and educational activities.

Mr. Rametra has a degree in Mechanical Engineering from Punjab Engineering College, India, a Master's degree in Industrial Engineering from the Indian Institute of Technology, India and an MBA in Finance from New York University. Mr. Rametra is married, has three children and is blessed with five grandchildren.

The statement containing additional information as required in schedule V of Companies Act, 2013:-

I. GENERAL INFORMATION:

(i) Nature of industry: IT & ITES

(ii) Date or expected date of commencement of commercial production: Not applicable.

(iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable.

(iv) **Financial performance based on given indicators:** The total revenue on standalone basis during the financial year 2021-22 stood Rs. 1005.81 Lakhs as compared to total revenue of Rs. 965.51

Lakhs for financial year 2020-21. The profit after tax (PAT) was Rs. (96393.52) Lakhs in FY 2021-22 as compared to PAT of Rs. 6250.13 Lakhs in FY 2020-21.

(v) **Foreign investments or collaborations:** The Company does not have any foreign collaborations. The composite foreign investment is 11.52 % in the Company as per shareholding pattern as of March 31, 2022.

II. INFORMATION ABOUT THE APPOINTEE:

(i) **Background details:** Mr. Vikram Negi has 22 plus years of invaluable expertise in successfully managing large deals, cross border teams; operational and financial processes and have strong background in M&A, Finance, Treasury and Operations and possess a broad range of interpersonal and advisory skills.

(ii) **Past remuneration:** No remuneration drawn in past tenure of his directorship as a Whole-time Director of the Company.

(iii) **Recognition or awards:** Not Applicable.

(iv) **Job profile and his suitability:** Mr. Vikram Negi has 22 plus years of varied experience of managing large deals, cross boarder teams and operational and financial processes and strong background in M&A, Finance, Treasury and Operations and possess a broad range of interpersonal and advisory skills. His involvement will bring immense value to the Board and Company. The Nomination and Remuneration Committee recommended for his re-appointment, subject to approval of Member(s).

(v) **Remuneration proposed:** The remuneration will be subject to the recommendation from Nomination & Remuneration Committee and will be decided by the Board, on terms and conditions as acceptable between the Board and Mr. Vikram Negi. The remuneration shall not exceed the limits specified under Schedule V of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force) or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.

(vi) **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):** Not Applicable.

(vii) **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:** Mr. Vikram Negi does not have any pecuniary relationship directly or indirectly with the Company or any relationship with the managerial personnel, except holding 63,556 equity shares in the Company.

III. OTHER INFORMATION / DISCLOSURES: The other information and disclosures as required is provided under Corporate Governance Report annexed to the Board's Report.

By Order of the Board
For **HOV Services Limited**

Bhuvanesh Sharma
VP-Corporate Affairs &
Company Secretary &
Compliance Officer

Place: Pune
Date: May 27, 2022

Registered Office:
3rd Floor, Sharda Arcade,
Pune Satara Road, Bibwewadi,
Pune – 411037, Maharashtra
CIN: L72200PN1989PLC014448
Email: investor.relations@hovsltd.com
Website : www.hovsltd.com