



November 14, 2019

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

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

NSE symbol: HOVS

BSE Scrip Code: 532761

Subject: Intimation of outcome of the Board Meeting held on November 14, 2019

Dear Sir,

This is to inform that the Board of Directors of the Company at its meeting held today had approved the Reviewed Standalone & Consolidated financial results of the Company for the quarter Q2 and half year ended on September 30, 2019, FY 2019-20.

Please find enclosed the reviewed audited financial results along with Auditors' report thereon.

Kindly take the above on record.

Thanking you,
Yours faithfully,

For **HOV Services Limited**

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

HOV Services Limited

CIN:L72200PN1989PLC014448

Regd Office : 3rd Floor, Sharda Arcade, Pune Satara Road, Bibwewadi Pune - 411 037, Maharashtra, INDIA
Tel: 91-20 24221460, Fax: 91-20 24221470, www.hovsltd.com

Independent Auditor's Review Report On standalone unaudited quarterly and year to date financial results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**To The Board of Directors of
HOV Services Limited**

We have reviewed the accompanying statement of unaudited standalone financial results of **HOV Services Limited** ('the Company') for the quarter ended September 30, 2019 and year to date results for the period from April 01, 2019 to September 30, 2019 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulations 33 of the SEBI (Listing, Obligations and Disclosure requirements) Regulations, 2015 ('Listing regulations').

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with circulars issued from time to time, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

**Vinay Somani
Partner**

**Membership No. 143503
UDIN: 19143503AAAAPA8974**



**Place: Mumbai
Date: November 14, 2019**

Independent Auditor's Review Report On consolidated unaudited quarterly and year to date financial results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**To The Board of Directors
HOV Services Limited**

1. We have reviewed the accompanying statement of Consolidated Unaudited Financial Results of **HOV Services Limited** ("the Parent Company"), its foreign subsidiaries and domestic subsidiary (together referred to as "the Group") for the quarter ended September 30, 2019 and for the period from April 1, 2019 to September 30, 2019 ("the Statement") attached herewith, being submitted by the Parent Company pursuant to the requirements of Regulations 33 of the SEBI (Listing, Obligations and Disclosure requirements) Regulations, 2015 ('Listing regulations'), as amended. Attention is drawn to the fact that the consolidated figures for the quarter and half year ended September 30, 2018 as reported in these consolidated financial results have been approved by the Board of Directors, but have not been subjected to review since the requirement of submission of quarterly consolidated financial results has become applicable only from 1st April, 2019
2. This Statement, which is the responsibility of the Parent Company's Management and approved by the Parent Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We are not required to perform procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.



4. The Statement includes the results of the following entities:

Name of the Entity	Relationship
HOVS LLC	Wholly owned subsidiary, USA
HOVS Holdings Limited	Wholly owned subsidiary, Hongkong
HOV Environment LLC	Subsidiary of HOVS LLC, USA
HOV Environment Solutions Private Limited	Wholly owned subsidiary of HOV Environment LLC, USA

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We did not review the financial results of 2 subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets of Rs. 232.83 lakhs as at September 30, 2019 and total revenues of Rs. Nil and Rs. 26.52 lakhs, total net loss after tax of Rs. 16.78 lakhs and Rs. 16.20 lakhs and total comprehensive loss of Rs. 16.78 lakhs and Rs. 16.20 lakhs for the quarter ended September 30, 2019 and for the period from April 01, 2019 to September 30, 2019, respectively, and cash flows(net) of Rs 7.35 lakhs from the period from April 01, 2019 to September 30, 2019 as considered in the consolidated unaudited financial results. These financial statements have been certified by the Company's Management and furnished to us, and our opinion, in so far as it relates to the amounts and disclosures included in respect of the said subsidiaries is also based solely on these certified financial statements.

Our conclusion on the Statement is not modified in respect of the above matters referred in para 6.

For Bagaria & Co. LLP
Chartered Accountants
ICAI Firm Registration No.
113447W/W-100019



Vinay Somani
Partner

Membership No. 143503
UDIN:19143503AAAAOZ8441



Place: Pune
Date: November 14, 2019

**HOV SERVICES LIMITED**

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 CIN: L72200PN1989PLC014448; website: www.hovsltd.com; email: investor.relations@hovsltd.com

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED ON SEPTEMBER 30, 2019

(Rs. In Lakhs)

Particulars	Quarter Ended			Six months Ended		Year Ended
	Sep 30,2019	Jun 30,2019	Sep 30,2018	Sep 30,2019	Sep 30,2018	Mar 31,2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Income						
Revenue from operations	265.25	275.33	288.36	540.57	572.19	1,054.43
Other income	28.97	19.60	15.26	46.91	29.64	93.17
Total Income	294.22	294.93	303.62	587.48	601.83	1,147.60
Expenses						
Employee Benefits Expense	160.54	182.18	182.45	342.73	366.57	713.92
Finance Costs	4.23	4.48	-	8.72	-	-
Depreciation and Amortisation Expense	13.90	13.89	2.36	27.79	4.76	8.54
Other Expenses	49.82	46.91	68.46	95.05	134.57	245.23
Total Expenses	228.49	247.46	253.27	474.29	505.90	967.69
Profit/(Loss) before Tax	65.73	47.47	50.35	113.19	95.93	179.91
Tax Expense :						
Current Tax	(18.70)	(14.10)	(14.60)	(32.80)	(28.20)	(50.90)
Deferred Tax	0.99	0.15	0.98	1.14	1.51	(0.58)
Profit/(Loss) for the period	48.02	33.52	36.73	81.53	69.24	128.43
Other Comprehensive Income / (Loss)						
Items that will not be reclassified subsequently to Profit or loss:						
Remeasurement of net defined benefit plans	-	-	0.70	-	1.40	5.57
Tax impact of Items that will not be reclassified subsequently to Profit or loss	-	-	(0.18)	-	(0.35)	(1.55)
Total Other Comprehensive Income / (Loss)	-	-	0.52	-	1.05	4.02
Total Comprehensive Income / (Loss) For The Period	48.02	33.52	37.25	81.53	70.29	132.45
Paid-up equity share capital (Face Value of Rs. 10 each)	1,258.90	1,258.90	1,258.90	1,258.90	1,258.90	1,258.90
Basic and Diluted Earning Per Share	0.38	0.27	0.29	0.65	0.55	1.02



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STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED ON SEPTEMBER 30, 2019

(Rs. In Lakhs)

Particulars	Quarter Ended			Six months Ended		Year Ended
	Sep 30,2019	Jun 30,2019	Sep 30,2018	Sep 30,2019	Sep 30,2018	Mar 31,2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Income						
Revenue from operations	265.24	301.85	266.27	567.09	527.94	1,054.43
Other income	29.14	22.77	27.87	51.91	55.82	95.77
Total Income	294.38	324.62	294.14	619.00	583.76	1,150.20
Expenses						
Employee Benefits Expense	165.16	186.79	187.06	351.95	375.79	732.36
Finance Costs	17.42	5.20	-	22.62	-	-
Depreciation and Amortisation Expense	22.61	22.61	12.27	45.22	24.71	52.52
Other Expenses	52.39	62.05	88.84	114.44	160.82	296.28
Total Expenses	257.58	276.65	288.17	534.23	561.32	1,081.16
Profit/(Loss) before Tax	36.80	47.97	5.97	84.77	22.44	69.04
Tax Expense :						
Current Tax	(18.70)	(14.10)	(14.60)	(32.80)	(28.20)	(50.90)
Deferred Tax	0.99	0.15	0.98	1.14	1.51	(0.58)
Profit/(Loss) for the period	19.09	34.02	(7.65)	53.11	(4.25)	17.56
Other Comprehensive Income / (Loss)						
Items that will not be reclassified subsequently to Profit or loss :						
Remeasurement of net defined benefit plans	-	-	0.70	-	1.40	5.57
Changes in fair value of FVOCI equity instruments	(17,160.79)	(27,570.83)	54,676.43	(44,731.62)	42,821.56	(40,101.76)
Tax impact of Items that will not be reclassified subsequently to Profit or loss	5,491.45	7,719.83	(17,496.63)	13,211.28	(13,703.25)	12,831.01
Total Other Comprehensive Income / (Loss)	(11,669.34)	(19,851.00)	37,180.50	(31,520.34)	29,119.71	(27,265.18)
Total Comprehensive Income / (Loss) For The Period	(11,650.25)	(19,816.98)	37,172.84	(31,467.23)	29,115.46	(27,247.62)
Paid-up equity share capital (Face Value of Rs. 10 each)	1,258.90	1,258.90	1,258.90	1,258.90	1,258.90	1,258.90
Basic and Diluted Earning Per Share	0.15	0.27	(0.06)	0.42	(0.03)	0.14



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(Rs. In Lakhs)

CONSOLIDATED		Particulars	STANDALONE		
As at September 30, 2019	As at March 31, 2019		As at September 30, 2019	As at March 31, 2019	As at September 30, 2018
Unaudited	Audited		Unaudited	Audited	Unaudited
ASSETS					
Non-current assets					
82.16	104.72	Property, Plant and Equipment	36.41	41.39	26.76
904.55	913.95	Investment Property	904.55	913.96	923.36
0.00	0.16	Intangible Assets	0.00	0.16	0.59
127.05	-	Right to use - Lease	127.05	-	-
Financial assets					
		Investments in subsidiaries	6,607.77	6,607.77	6,607.77
13,890.88	58,622.50	Other Investments	-	-	-
14.61	14.62	Other Financial assets	14.61	14.61	14.68
15.77	19.47	Income Tax Assets	-	-	181.89
197.64	196.50	Deferred Tax Assets	197.64	196.50	17.90
3.37	4.50	Other Non-Current Assets	3.37	4.49	5.62
Current assets					
Financial assets					
546.25	281.40	Trade Receivables	546.25	281.40	412.79
517.15	700.71	Cash and cash equivalents	356.20	549.36	464.48
12.01	12.00	Other bank balances	2.43	2.42	2.40
17.30	24.52	Other financial assets	10.36	14.05	10.26
91.80	82.20	Other Current Assets	90.17	79.93	66.23
16,420.54	60,977.25	TOTAL - ASSETS	8,896.81	8,706.04	8,734.73
EQUITIES AND LIABILITIES					
EQUITY					
1,258.90	1,258.90	Equity Share Capital	1,258.90	1,258.90	1,258.90
11,654.78	43,103.04	Other Equity	6,887.04	6,805.51	6,743.34
LIABILITIES					
Non-current liabilities					
Financial liabilities					
272.72	323.54	Borrowings	272.72	323.54	382.85
93.13	-	Lease liabilities	93.12	-	-
2,666.87	15,878.15	Deferred Tax Liabilities	-	-	-
Current liabilities					
Financial liabilities					
Trade payables					
0.66	3.18	Micro, Small and Medium Enterprises	0.66	3.18	-
101.32	91.25	Others	91.74	74.62	114.57
251.93	212.14	Other financial liabilities	172.62	133.63	122.72
11.91	14.64	Other Current liabilities	11.69	14.25	13.55
56.67	52.46	Provisions	56.67	52.46	67.11
51.65	39.95	Current Tax Liabilities	51.65	39.95	31.69
16,420.54	60,977.25	TOTAL - EQUITY AND LIABILITIES	8,896.81	8,706.04	8,734.73





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Notes :

1 The above Financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on November 14, 2019 . The statutory auditors of the Company have reviewed the financial results for the quarter ended September 30, 2019 in terms of Regulations 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations , 2015.

2 Other Income includes net rental Income/(Loss) as follows : (Rs. In Lakhs)

Particulars	Quarter Ended			Six months Ended		Year Ended
	Sep 30,2019	Jun 30,2019	Sep 30,2018	Sep 30,2019	Sep 30,2018	Mar 31,2019
Rent Income	27.41	27.41	27.41	54.82	54.82	109.66
Less: Finance and borrowing cost	(11.46)	(11.99)	(14.12)	(23.45)	(28.74)	(55.00)
Less: Amortisation expense	(4.70)	(4.70)	(4.70)	(9.40)	(9.40)	(18.81)

3 The Group entered into a Business Combination Agreement on July 12, 2017, and received equity stake in Exela Technologies, Inc. (Listed on NASDAQ) through Ex-Sigma LLC a special purpose vehicle formed for Exela Technologies, Inc transaction. The Group holds 24,720,878 shares (representing 16.11% of Exela Technologies, Inc) and having fair value of Rs 13,891 lakhs (net of Group's share of debt of Rs 6,728 lakhs) as on September 30, 2019.

4 Consolidated financial results for the corresponding quarter ended September 30, 2018 and corresponding period from April 1, 2018 to September 30, 2018 have been approved by the Parent's Board of Directors, but have not been subjected to limited review by Statutory Auditors of the Company.

5 Effective April 1, 2019 the Group has adopted IND AS 116 "Leases " using modified retrospective approach. Due to the transition, the nature of expenses in respect of operating Leases has changed from "Lease Rent" to "Depreciation cost" and "Finance cost" for the right to use assets and interest accrued on Lease liability respectively, and therefore these expenses for the current quarter are not comparable to the previous periods disclosed.

6 The Group has only one reportable segment i.e. 'IT and IT Enabled services' in terms of requirement of IND AS 108.

7 Previous periods' figures are regrouped/rearranged wherever considered necessary to conform to current period's/quarter's presentation.



For, **HOV Services Limited**

Surinder Rametra
Executive Director
(DIN: 00019714)

Place: Pune
Date: November 14, 2019



HOV SERVICES LIMITED

Cash flow statement For The Six Months Period Ended September 30, 2019

(Rs. in Lakhs.)

CONSOLIDATED		Particulars	STANDALONE	
For Six Months Ended September 30,			For Six Months Ended September 30,	
2019	2018		2019	2018
		A Cash flow from Operating Activities:		
84.77	22.44	Net profit/(loss) before tax & before exceptional items	113.19	95.93
		Add: Adjustments for :		
54.63	34.12	Depreciation & amortisation	37.19	14.17
0.07	(0.50)	(Profit)/Loss on sale of Property, plant and equipment	-	-
(22.69)	(18.60)	Interest income	(15.27)	(12.96)
(21.97)	(16.68)	Rent income (net)	(21.97)	(16.68)
46.00	28.74	Finance cost	32.17	28.74
(4.15)	(17.53)	Foreign exchange (gain)/loss, net	(9.67)	(44.24)
136.66	31.99	Operating profit before working capital changes	135.64	64.96
		Adjustments for changes in working capital :		
(255.18)	59.93	(Increase)/decrease in trade receivable	(255.18)	43.09
(1.27)	(2.90)	(Increase)/decrease in other receivables	(5.44)	(4.88)
558.50	31.66	Increase/(decrease) in trade and other payable	21.32	45.31
438.71	120.68	Cash generated from operations	(103.66)	148.48
(17.39)	(28.75)	Taxes paid (net of refund)	(21.10)	(32.09)
421.32	91.93	Net cash from/(used in) operating activities - A	(124.76)	116.39
		B Cash flow from investing activities:		
(22.58)	2.88	Purchase of property, plant and equipment	(22.65)	(0.72)
(530.14)	-	Investment in shares	-	-
21.97	16.68	Rent income received (net)	21.97	16.68
22.69	18.60	Interest income	15.27	12.96
(508.06)	38.16	Net cash from/(used in) investing activities - B	14.59	28.92
		C Cash flow from financing activities:		
(46.00)	(28.74)	Finance cost	(32.17)	(28.74)
-	20.73	Proceeds from issue of equity shares under ESOP	-	20.73
(50.82)	(45.46)	Proceeds/(repayments) of borrowings- net	(50.82)	(45.47)
(96.82)	(53.47)	Net cash from/(used in) financing activities - C	(82.99)	(53.48)
(183.56)	76.62	Net increase/(decrease) in cash and cash equivalents (A+B+C)	(193.16)	91.83
700.71	496.56	Opening cash and cash equivalents	549.36	372.65
517.15	573.18	Closing cash and cash equivalents	356.20	464.48

