



December 5, 2017

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 December 5, 2017

Dear Sir,

This is to inform that the Board of Directors of the Company at its meeting held on December 5, 2017 inter alia, had considered and approved Un-audited and reviewed standalone financial results of the Company for the quarter (Q2) and half year ended on September 30, 2017.

Please find enclosed the financial statements in prescribed format and Auditors' review report.

Kindly take the above on record.

Thanking you,
Yours faithfully,

For **HOV Services Limited**

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

Encls: As above

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

**HOV SERVICES LIMITED**

Registered Office: 3rd Floor Sharda Arcade, Pune Satara Road, Bibwewadi, Pune-411037

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

Phone: 020-24231623; Fax: 020-24221470

CIN: L72200PN1989PLC014448

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2017

(Rs in Lakhs)

| Sr. | Particulars | Quarter Ended | | | Six months Ended | |
|-----|--|---------------|---------------|---------------|------------------|---------------|
| | | Sept 30, 2017 | Jun 30, 2017 | Sept 30, 2016 | Sept 30, 2017 | Sept 30, 2016 |
| | | Unaudited | Unaudited | Unaudited* | Unaudited | Unaudited* |
| 1 | Income | | | | | |
| | Revenue from operations | 346.65 | 346.76 | 339.82 | 692.38 | 677.13 |
| | Other income | 23.34 | 30.49 | 25.02 | 53.83 | 51.78 |
| | Total Income | 369.99 | 377.25 | 364.83 | 746.22 | 728.91 |
| 2 | Expenses | | | | | |
| | Employee Benefits Expense | 236.18 | 249.56 | 252.73 | 485.75 | 505.67 |
| | Depreciation and Amortization Expense | 2.85 | 2.50 | 3.87 | 5.34 | 11.78 |
| | Other Expenses | 68.19 | 78.48 | 69.33 | 145.65 | 134.02 |
| | Total Expenses | 307.23 | 330.54 | 325.94 | 636.74 | 651.47 |
| 3 | Profit before tax | 62.77 | 46.71 | 38.90 | 109.48 | 77.44 |
| 4 | Tax Expense | | | | | |
| | Current Tax | (17.10) | (14.90) | (15.70) | (32.00) | (32.00) |
| | Deferred Tax | 1.62 | 0.58 | 2.60 | 2.19 | 7.58 |
| 5 | Profit for the period | 47.28 | 32.39 | 25.80 | 79.67 | 53.02 |
| 6 | OTHER COMPREHENSIVE INCOME | | | | | |
| | Items that will not be reclassified subsequently to Profit or loss : | | | | | |
| | Remeasurement of net defined benefit plans | 1.25 | 1.25 | 1.16 | 2.50 | 2.31 |
| | Tax impact of Items that will not be reclassified subsequently to Profit or loss | (0.31) | (0.31) | (0.35) | (0.63) | (0.69) |
| 7 | Total Other Comprehensive Income | 0.94 | 0.94 | 0.81 | 1.88 | 1.62 |
| 8 | TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | 48.22 | 33.33 | 26.61 | 81.55 | 54.64 |
| 9 | Paid-up equity share capital (Face Value of Rs. 10 each) | 1,253.57 | 1,253.25 | 1,253.25 | 1,253.57 | 1,253.25 |
| 10 | Basic & Diluted Earnings per share of (Rs.10 each) | 0.38 | 0.26 | 0.21 | 0.63 | 0.42 |



Statement of Assets and Liabilities

| Particulars | (Rs in Lakhs) | |
|---------------------------------|--------------------|--|
| | As at 30-Sep-17 | |
| ASSETS | | |
| 1 Non Current Assets | | |
| Property, plant and equipment | 31.84 | |
| Investment property | 942.17 | |
| Intangible Assets | 4.17 | |
| Financial Assets | | |
| Investments in Subsidiaries | 6,607.77 | |
| Loans | 1,005.65 | |
| Income Tax Assets | 165.21 | |
| Deferred Tax Asset | 19.75 | |
| Other Non-Current Assets | 7.87 | |
| 2 Current Assets | | |
| Financial Assets | | |
| Trade Receivables | 400.57 | |
| Cash and Cash Equivalents | 353.12 | |
| Other Bank Balances | 2.04 | |
| Other Financial Assets | 32.36 | |
| Other Current Assets | 93.58 | |
| TOTAL | 9,666.10 | |
| 1 EQUITY AND LIABILITIES | | |
| Equity | | |
| Equity Share capital | 1,253.57 | |
| Other Equity | 7,621.67 | |
| 2 Liabilities | | |
| Non-current liabilities | | |
| Financial Liabilities | | |
| Borrowings | 478.86 | |
| Deposits | 26.26 | |
| Current liabilities | | |
| Financial Liabilities | | |
| Trade payables | 99.32 | |
| Other Financial Liabilities | 90.23 | |
| Other current liabilities | 19.27 | |
| Provisions | 63.53 | |
| Current Tax Liabilities (Net) | 13.39 | |
| TOTAL | 9,666.10 | |

Notes :

1 The above financial results were reviewed and recommended by the Audit Committee and taken on record by the Board of Directors at their meeting held on 5th December 2017. The Limited Review under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 has been carried out by the Statutory Auditors.

2(a) The Company has adopted Indian Accounting Standards ('IND AS') effective April 1, 2017 (transition date being April 1, 2016) notified by the Ministry of Corporate Affairs from 1st April 2015. Accordingly the Financial results for the quarter and six months ended 30th September, 2017 are in compliance with IND AS and other accounting principles generally accepted in India and the results for the comparative quarter and six months ended 30th September, 2016 have been restated in accordance with IND AS. The financial results for the quarter and six months ended 30th September, 2017 is reviewed by the Auditors while results for quarter and six months ended 30th September, 2016 have not been audited or reviewed by the auditors and are compiled by the Management after exercising necessary due diligence to ensure a true and fair view of the Company's affairs.

2(b) Reconciliation between financial results as previously prepared and reported in accordance with Generally Accepted Accounting Principles in India (referred to as " Previous GAAP") and IND-AS for the quarter and six months is as under:

| Particulars | (Rs. In lakhs) | | |
|--|----------------|-----------|------------|
| | Quarter ended | | Six months |
| | 30-Sep-16 | 30-Jun-16 | 30-Sep-16 |
| Net profit as per Previous GAAP | 26.55 | 27.97 | 54.51 |
| Add : Impact of Fair valuation of financial assets and liabilities | 0.06 | 0.06 | 0.13 |
| Total Comprehensive Income under Ind-AS | 26.61 | 28.03 | 54.64 |

3 Other Income includes net rental Income/(Loss) as follows :

| Particulars | Quarter ended | | Six Months ended | | |
|----------------------------------|---------------|-----------|------------------|-----------|-----------|
| | 30-Sep-17 | 30-Jun-17 | 30-Sep-16 | 30-Sep-17 | 30-Sep-16 |
| Rent Income | 27.41 | 27.41 | 27.41 | 54.82 | 54.82 |
| Less: Finance and borrowing cost | (17.35) | (17.94) | (19.64) | (35.29) | (39.80) |
| Less: Amortisation expense | (4.70) | (4.70) | (4.70) | (9.40) | (9.40) |

4 During the quarter, the Company has allotted 3,200 Equity shares under Employee Stock Option Plan, 2007.

5 The Company has only one reportable segment i.e. 'IT and IT Enabled Services' in terms of requirements of IND AS 108.

For, HOV Services Limited

Sunil Rajadhyaksha

DIN: 00011683

Chairman & Executive Director



Place: Mumbai

Date: December 5, 2017

LIMITED REVIEW REPORT

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

We have reviewed the accompanying statement of unaudited financial results of **HOV Services Limited** ('the Company') for the quarter and half year ended **September 30, 2017**. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these results 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 provide 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 Indian Accounting Standards (IND AS) 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.

Other Matter:

The Comparative financial information of the Company for the corresponding quarter and half year ended September 30, 2016 were reviewed by the predecessor auditor who expressed an unmodified opinion on those financial results. Our report is not modified in respect of this matter.

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

**Vinay Somani
Partner
Membership No. 143503**



**Place: Mumbai
Date: December 5, 2017**