

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.

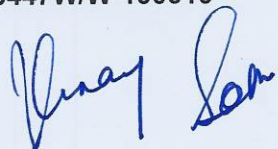
We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to 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**



HOV SERVICES LIMITED

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CIN: L72200PN1989PLC014448

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

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

(Rs in Lakhs)

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