

**Independent Auditor's Review Report On consolidated unaudited quarterly financial results of the Group 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 Holding Company") and its subsidiaries (together referred to as "the Group") for the quarter ended June 30, 2022 ("the Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulations 33 of the SEBI (Listing, Obligations and Disclosure requirements) Regulations, 2015 ('Listing regulations'), as amended.

The statement, which is the responsibility of the Holding 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 issue a report on this financial Statement based on our review.

2. 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.
3. We are not required to perform procedures (as there is no significant component which in the aggregate represents at least eighty percent of each of the consolidated revenue, assets and profits) 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, besides the holding Company results, includes the results of the following entities:

<b>Name of the Entity</b>	<b>Relationship</b>
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. (a) We did not review the financial results of 2 subsidiaries included in the consolidated financial statements, whose financial statements reflect total revenue of Rs. Nil, net profit/(loss) after tax of Rs. (8.91) lakhs and total comprehensive Income/(loss) of Rs. (8.91) lakhs and for the quarter ended June 30, 2022, respectively, disclosed as discontinued operations in the consolidated unaudited financial results. These financial statements have been certified by the Holding Company's Management and furnished to us and our opinion, in so far as it relates to the amount and disclosures included in respect of the said subsidiaries are based solely on these certified financial statements.
- (b) We draw your attention to the Note 4 of the consolidated financial results regarding the assessment made by Management relating to impact of COVID-19 pandemic on the operations of the Group.

- (c) The comparative consolidated financial information of the Group for the corresponding quarter ended June 30, 2021 were reviewed and figures for the year ended March 31, 2022 have been audited by the predecessor auditor who expressed an unmodified opinion on those consolidated financial results and Opening Balances have been considered based on audited consolidated financial statements by the predecessor auditor whose unmodified audit report dated May 27, 2022 have been furnished to us.
- (d) Attention is drawn to the fact that the figures for the quarter ended March 31, 2022 as reported in these consolidated financial results are the balancing figure between audited figures in respect of the full previous financial year and the published year to date figures upto the third quarter of the previous financial year. The figures upto the end of the third quarter of previous financial year had only been reviewed and not subjected to audit

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

6. Based on our review conducted and procedures performed as stated in paragraph 3 , 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.

**Place:** Mumbai  
**Date:** August 13, 2022

**For LODHA & COMPANY**  
**Chartered Accountants**  
**Firm Registration No. – 301051E**  
RAJENDRA  
PARASMAL  
BARADIYA  
**R. P. Baradiya**  
**Partner**  
**Membership No. 44101**  
**UDIN : 22044101AOYAHY7535**

Digitally signed by  
RAJENDRA PARASMAL  
BARADIYA  
Date: 2022.08.13 08:43:01  
+05'30'

**Independent Auditor's Review Report On standalone unaudited quarterly 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**

1. We have reviewed the accompanying statement of unaudited standalone financial results of **HOV Services Limited** ("the Company") for the quarter ended June 30, 2022 ("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').  
The 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 issue a report on this financial Statement based on our review.
2. 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.
3. (a) We draw your attention to the Note 4 of the standalone financial results regarding the assessment made by Management relating to impact of COVID-19 pandemic on the operations of the Company.  
  
(b) The comparative standalone financial information of the Company for the corresponding quarter ended June 30, 2021 were reviewed and figures for the year ended March 31, 2022 have been audited by the predecessor auditor who expressed an unmodified opinion on those financial results and Opening Balances have been considered based on audited standalone financial statements by the predecessor auditor whose unmodified audit report dated May 27, 2022 have been furnished to us.  
  
(c) Attention is drawn to the fact that the figures for the quarter ended March 31, 2022 as reported in these standalone financial results are the balancing figure between audited figures in respect of the full previous financial year and the published year to date figures upto the third quarter of the previous financial year. The figures upto the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.

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

4. 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 (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.

**For LODHA & COMPANY**  
**Chartered Accountants**  
**Firm Registration No. – 301051E**  
RAJENDRA  
PARASMAL  
BARADIYA  
**R. P. Baradiya**  
**Partner**  
**Membership No. 44101**  
**UDIN : 22044101AOYAHQ8196**

Digitally signed by  
RAJENDRA PARASMAL  
BARADIYA  
Date: 2022.08.13 08:41:42  
+05'30'

**Place:** Mumbai  
**Date:** August 13, 2022

**HOV SERVICES LIMITED**

Registered Office: 3rd Floor Sharda Arcade, Pune Satara Road, Bibwewadi, Pune-411037  
 CIN: L72200PN1989PLC014448; website: www.hovsltd.com; email: investor.relations@hovsltd.com

**STATEMENT OF UNAUDITED STANDALONE RESULTS FOR THE QUARTER ENDED JUNE 30, 2022****(Rs. In Lakhs)**

Particulars	STANDALONE			
	Quarter Ended			Year Ended
	Jun 30,2022	Mar 31,2022	Jun 30,2021	Mar 31,2022
	Unaudited	Audited*	Unaudited	Audited
<b>Income</b>				
Revenue from operations	292.42	264.92	245.52	1,005.81
Other income	53.27	43.91	32.62	134.33
<b>Total Income</b>	<b>345.69</b>	<b>308.83</b>	<b>278.14</b>	<b>1,140.14</b>
<b>Expenses</b>				
Employee Benefits Expense	194.84	163.04	153.58	626.35
Finance Costs	1.16	1.53	2.92	9.07
Depreciation and Amortisation Expense	13.04	15.40	15.78	62.30
Other Expenses	40.66	36.54	34.32	141.41
<b>Total Expenses</b>	<b>249.70</b>	<b>216.51</b>	<b>206.60</b>	<b>839.13</b>
<b>Profit before exceptional items</b>	<b>95.99</b>	<b>92.32</b>	<b>71.54</b>	<b>301.01</b>
Exceptional items: (Provision) for Diminution in Value of Investment in subsidiary (Refer note no.3a)	-	(1,694.59)	-	(6,607.70)
<b>Profit / (Loss) after exceptional items</b>	<b>95.99</b>	<b>(1,602.27)</b>	<b>71.54</b>	<b>(6,306.69)</b>
<b>Tax Expense :</b>				
-Current Tax	(26.00)	(23.70)	(20.60)	(82.80)
-Deferred Tax	0.96	(3.40)	1.46	(4.03)
<b>Profit/(Loss) for the period</b>	<b>70.95</b>	<b>(1,629.37)</b>	<b>52.40</b>	<b>(6,393.52)</b>
<b>Other Comprehensive Income / (Loss)</b>				
<b>Items that will not be reclassified subsequently to Profit or loss:</b>				
Remeasurement of net defined benefit plans	-	(2.14)	-	(2.14)
Tax impact of Items that will not be reclassified subsequently to Profit or loss	-	0.59	-	0.59
<b>Total Other Comprehensive Income / (Loss)</b>	<b>-</b>	<b>(1.55)</b>	<b>-</b>	<b>(1.55)</b>
<b>Total Comprehensive Income / (Loss) For The Period</b>	<b>70.95</b>	<b>(1,630.92)</b>	<b>52.40</b>	<b>(6,395.07)</b>
Paid-up equity share capital (Face Value of Rs. 10 each)	1,259.50	1,259.50	1,258.90	1,259.50
Other Equity				788.72
<b>Basic and Diluted Earnings Per Share :</b>				
Before exceptional item	0.56	0.52	0.42	1.70
After exceptional item	0.56	(12.93)	0.42	(50.78)



**HOV SERVICES LIMITED**

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

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

**STATEMENT OF UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER ENDED JUNE 30, 2022**

(Rs. In Lakhs)

Particulars	Quarter Ended			Year Ended	
	Jun 30,2022	Mar 31,2022	Jun 30,2021	Mar 31,2022	
	Unaudited	Audited*	Unaudited	Audited	
<b>Income</b>					
Revenue from operations	292.42	264.92	245.52	1,005.81	
Other income (Refer note no. 3c)	154.76	43.91	32.62	134.33	
<b>Total Income</b>	<b>447.18</b>	<b>308.83</b>	<b>278.14</b>	<b>1,140.14</b>	
<b>Expenses</b>					
Employee Benefits Expense	194.84	163.04	153.58	626.35	
Finance Costs	1.16	1.53	2.92	9.07	
Depreciation and Amortisation Expense	13.04	15.40	15.78	62.30	
Other Expenses	40.66	36.54	34.32	141.41	
<b>Total Expenses</b>	<b>249.70</b>	<b>216.51</b>	<b>206.60</b>	<b>839.13</b>	
<b>Profit before tax from continuing operations</b>	<b>197.48</b>	<b>92.32</b>	<b>71.54</b>	<b>301.01</b>	
<b>Tax Expense :</b>					
-Current Tax	(26.00)	(23.70)	(20.60)	(82.80)	
-Deferred Tax	0.96	(3.40)	1.46	(4.03)	
<b>Profit/(Loss) for the period from continuing operations</b>	<b>172.44</b>	<b>65.22</b>	<b>52.40</b>	<b>214.18</b>	
<b>Discontinued Operations</b>					
Profit/(Loss) from discontinued operations before tax	(8.91)	(2.90)	(0.41)	1.53	
Tax expense of discontinued operations	-	(0.81)	-	(0.81)	
<b>Profit/(Loss) after tax from continuing &amp; discontinued operations</b>	<b>163.53</b>	<b>61.51</b>	<b>51.99</b>	<b>214.90</b>	
<b>Other Comprehensive Income / (Loss)</b>					
<b>Items that will not be reclassified subsequently to Profit or loss :</b>					
Remeasurement of net defined benefit plans	-	(2.14)	-	(2.14)	
Changes in fair value of FVOCI equity instruments (Refer note No.3)	(303.84)	(2,106.26)	895.30	(7,667.51)	
Tax impact of Items that will not be reclassified subsequently to Profit or loss	-	19.99	(293.25)	609.33	
<b>Total Other Comprehensive Income / (Loss)</b>	<b>(303.84)</b>	<b>(2,088.41)</b>	<b>602.05</b>	<b>(7,060.32)</b>	
<b>Total Comprehensive Income / (Loss) For The Period</b>	<b>(140.31)</b>	<b>(2,026.90)</b>	<b>654.04</b>	<b>(6,845.42)</b>	
Paid-up equity share capital (Face Value of Rs. 10 each)	1,259.50	1,259.50	1,258.90	1,259.50	
Other Equity				1,735.60	
<b>Basic and Diluted Earnings Per Share :</b>					
Continuing Operations	1.37	0.52	0.42	1.70	
Discontinued Operations	(0.07)	(0.03)	(0.00)	0.01	
Continued and Discontinued Operations	1.30	0.49	0.41	1.71	



**HOV SERVICES LIMITED**

Registered Office: 3rd Floor Sharda Arcade, Pune Satara Road, Bibwewadi, Pune-411037  
 CIN: L72200PN1989PLC014448; website: www.hovsltd.com; email: investor.relations@hovsltd.com

**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 August 13, 2022. The statutory auditors of the Company have reviewed the financial results for the quarter ended June 30, 2022 in terms of Regulations 33 of SEBI (Listing and Other Disclosure Requirements) Regulations, 2015 and have issued their review reports with unmodified conclusion on the Consolidated and Standalone Financial Results.

2 Other Income includes net rental Income as follows :

(Rs. In Lakhs)

Particulars	Quarter Ended			Year Ended
	Jun 30,2022	Mar 31,2022	Jun 30,2021	Mar 31,2022
Rent Income	28.21	28.21	28.21	112.84
Less: Finance and borrowing cost	(1.24)	(2.11)	(4.78)	(13.73)
Less: Amortisation expense	(4.70)	(4.70)	(4.70)	(18.81)
<b>Total</b>	<b>22.27</b>	<b>21.40</b>	<b>18.73</b>	<b>80.30</b>

3 (a) The Group investment in Exela Technologies, Inc. (Listed on NASDAQ, "Exela") having quoted fair value of Rs. 1580.26 lakhs on June 30, 2022 (Rs. 1809.28 lakhs as on March 31, 2022) has fallen below the carrying cost of investment and accordingly, provision for diminution in its value is recognised in standalone financial results -Refer exceptional item. In consolidated financial results, the said investment is considered as equity 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 has been recognised net off deferred tax liability in Other Comprehensive Income.

(b) During the quarter, on April 18, 2022 Exela had offered to exchange, for each 20 shares of Common Stock tendered, stock holder will receive one share of Series B1 Preferred Stock with liquidation preference of \$25. The Group had tendered 5,712,120 Shares of Common stock and received in exchange 285,606 nos Series B1 Preferred Stock Now the Group holds 285,606 Series B1 Preferred Stock and 22,370 equivalent of common stock in form of convertible Preferred Stock

(c) During the quarter ended June 30, 2022, Exela has declared the dividend on Class B1 Preferred Stock and the same is included under other income in consolidated financial results aggregating to Rs 101.49 lakhs.

4 The Company is emerging from the Covid-19 virus, a global pandemic that affected the India and world economy over the last two years. The extent to which any new wave of Covid-19 will impact the Company's results will depend on ongoing as well as future developments, including, among other things, any new information concerning the severity of the Covid 19 pandemic, and any action to contain its spread or mitigate its impact weather government mandated or elected by the Company.

5 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretations have not been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code become effective.

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

7 \* The figures for the quarter ended March 31, 2022 are the balancing figures between audited figures for the full previous financial year and unaudited published year to date figures up to the end of third quarter of the previous financial year.

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

For HOV Services Limited




**Vikram Negi**  
 Chairman & Executive Director  
 (DIN:01639441)

Place: Pune  
 Date: August 13, 2022