

To,

Date: 13.11.2019

BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400001

Dear Sir/Madam,

Sub: Outcome of Board meeting under regulation 30 read with regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015


Ref: City Online Services Limited (Scrip code: 538674)

With reference to the subject cited, this is to inform the Exchange that at the Board meeting of City Online Services Limited held on Wednesday, 13.11.2019 at 9.30 a.m. at the registered office of the Company, the Board duly considered and approved the Un - Audited financial results for the quarter and half year ended 30.09.2019. (Enclosed)

The meeting concluded at 11.40 a.m.

Thanking you.

Yours sincerely,
For City Online Services Limited



S. Raghava Rao
Chairman & Managing Director
(DIN: 01441612)



Encl: as above

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

[Rs. in lakhs]

Particulars	Quarter ended			Half Year Ended		Year ended
	30-Sep-19	30-Jun-19	30-Sep-18	30-Sep-19	30-Sep-18	31-Mar-19
	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Audited
I Income						
Revenue from operations	337.45	356.57	365.45	694.02	741.29	1,310.69
II Other income	4.00	4.21	12.99	8.21	19.53	47.56
III Total income (I+II)	341.45	360.78	378.44	702.23	760.82	1,358.25
IV Expenses						
a. Operating expenses	239.28	193.80	241.05	433.08	520.25	924.11
b. Employees benefit expense	49.16	48.88	44.83	98.04	86.99	178.84
c. Finance costs	4.90	4.72	3.40	9.62	6.15	15.51
d. Depreciation and amortisation expense	13.82	12.95	8.73	26.77	17.42	36.42
e. Other expenses	46.46	58.22	57.78	104.68	108.94	245.96
Total expenses	353.62	318.57	355.79	672.19	739.76	1,400.84
V Profit/ (Loss) before tax (III-IV)	(12.17)	42.21	22.65	30.04	21.06	(42.59)
VI Tax expense	-	-	-	-	-	41.07
Total tax expense	-	-	-	-	-	41.07
VII Net profit after tax (V-VI)	(12.17)	42.21	22.65	30.04	21.06	(83.66)
VIII Other comprehensive income						
Items that will not be reclassified to profit or loss	(0.59)	(4.46)	(6.41)	(5.05)	(0.95)	6.68
Total other comprehensive income for the period	(0.59)	(4.46)	(6.41)	(5.05)	(0.95)	6.68
Total comprehensive income for the period (VII + VIII)	(12.76)	37.75	16.24	24.99	20.11	(76.98)
Paid up equity capital (Face value of Rs. 10/- each)	516.47	516.47	516.47	516.47	516.47	516.47
Earnings per share (EPS)						
Basic and diluted [In Rs]	(0.24)	0.82	0.44	0.58	0.41	(1.62)

- Notes:**
- These results have been prepared in accordance with the Indian Accounting Standards [Ind -AS] notified under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules 2015 as amended.
 - The above results have been reviewed by the Audit Committee and taken on record and approved by the Board of Directors at their meeting held on November 13, 2019 in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - Effective April 01, 2019:** the Company adopted Ind AS 116, Leases, using the modified retrospective approach. Ind AS 116 brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and financial leases. Upon implementation of Ind AS 116, few of the leases for which the company is the lessee became on-balance sheet liabilities with corresponding right-of-use asset also recognised on the balance sheet. Accordingly on April 01, 2019, the company recognised lease liabilities of Rs. 42.61 lakhs and right-of-use asset of Rs. 42.61 lakhs.
 - The company is primarily engaged in internet solutions and service. There are no other reportable segments in terms of Indian Accounting Standard 108 on 'Operating Segments'.



By Order of the Board
For City Online Services Limited

S. Raghava Rao
Chairman and Managing Director
DIN: 01441612

Place: Hyderabad
Date: November 13, 2019

CITY ONLINE SERVICES LIMITED
Standalone Balance Sheet as at September 30, 2019
CIN: L72200TG1999PLC032114
(All amounts in Indian Rupees, unless otherwise stated)

Particulars		As at September 30, 2019	As at March 31, 2019
A	ASSETS		
1	Non-Current Assets		
	(a) Property, plant and equipment	12,779,361	13,684,085
	(b) Intangible assets	62,612	62,612
	(c) Right of use Assets	3,637,883	-
	(d) Financial Assets		
	- Investments	1,501,535	1,501,535
	- Other non-current financial assets	650,314	1,519,439
	(e) Deferred tax assets [Net]	4,893,913	4,893,913
	(f) Other non-current assets	52,604	55,168
	Total Non-Current Assets [A]	23,578,223	21,716,752
2	Current Assets		
	(a) Inventories	13,857,870	14,773,293
	(b) Financial Assets		
	- Loans	9,481,373	8,808,185
	- Trade receivables	57,130,623	46,735,299
	- Cash and cash equivalents	8,103,460	1,517,360
	- Bank balances other than above	4,443,948	11,649,420
	- Other current financial assets	1,810,461	904,304
	(c) Income Taxes	7,597,180	6,783,555
	(d) Other current assets	5,126,205	2,965,922
	Total Current Assets [B]	107,551,120	94,137,338
	TOTAL ASSETS [A+B]	131,129,343	115,854,090
B	EQUITY AND LIABILITIES		
1	Equity		
	(a) Equity Share Capital	56,098,330	56,098,330
	(b) Other Equity	(25,952,820)	(28,452,247)
	Total Equity [A]	30,145,510	27,646,083
2	Non-Current Liabilities		
	(a) Financial Liabilities		
	- Borrowings	1,057,612	1,261,839
	- Lease liability	2,771,060	-
	(b) Provisions	2,168,060	2,168,060
	Total Non-Current Liabilities [B]	5,996,732	3,429,899
3	Current Liabilities		
	(a) Financial Liabilities		
	- Borrowings	14,805,257	13,495,577
	- Trade payables		
	Due to micro and small enterprises	-	-
	Due to Others	46,779,293	41,752,181
	- Lease Liability	1,464,383	-
	(b) Other current liabilities	31,938,167	29,530,350
	Total Current Liabilities [C]	94,987,100	84,778,108
	TOTAL EQUITY AND LIABILITIES [A+B+C]	131,129,343	115,854,090

For CITY ONLINE SERVICES LIMITED

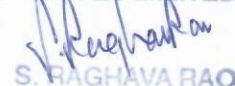
S. RAGHAVA RAO
 CHAIRMAN & MANAGING DIRECTOR

Internet Services with world class technology

Standalone Cash Flow Statement for the period ended September 30, 2019
 (All amounts in Indian Rupees, unless otherwise stated)

Particulars	Period ended September 30, 2019	Year ended March 31, 2019
A. Cash flow from operating activities		
Profit before tax		
Adjustments:	3,004,277	(4,259,276)
Depreciation and amortisation		
ROU Depreciation	1,734,069	3,642,144
Interest expense	942,664	-
Interest on Lease Liability	744,291	1,550,866
Remeasurement of post employee benefits	217,657	-
Interest on capital from partnership firm	-	176,899
Expected credit loss allowance	-	(77,430)
Share of (profit)/loss from partnership firm	(485,420)	(501,802)
Profit on sale of property, plant & equipment	-	418,690
Interest income	-	(633,972)
Interest income	(122,233)	528,413
Cash generated before working capital changes	6,035,306	844,532
Increase in trade payables		
Increase in other current liabilities	5,027,112	-18,137,172
Increase in long term provisions	2,407,817	8,459,947
Decrease/(Increase) in inventories	-	87,060
Increase in trade receivables	915,423	(560,480)
(Decrease)/Increase in other non-current financial assets	(9,909,904)	6,826,088
Decrease in other non current assets	364,275	448,093
Increase in short term loans and advances	2,564	38,754
Decrease/(Increase) in other current financial assets	(673,188)	(1,979,058)
Decrease/(Increase) in other current assets	(906,157)	234,670
Decrease/(Increase) in other current assets	(2,160,283)	4,927,604
Cash generated from operations	1,102,965	1,190,038
Direct taxes refund/ (paid)	(813,625)	(2,619,281)
Net cash flow from operating activities (A)	289,340	-1,429,243
B. Cash flows from investing activities		
Purchase of property, plant and equipment, including intangible assets	(829,345)	(3,906,248)
ROU Asset	(4,580,548)	-
Investment in bank deposits	7,205,472	1,355,205
Proceeds from sale of property, plant and equipment	-	1,262,000
Interest on capital from partnership firm	-	77,430
Share of (profit)/loss from partnership firm	-	(418,690)
Increase in non current investments	(0)	341,260
Net cash flow used in investing activities (B)	1,795,579	(1,289,043)
C. Cash flows from financing activities		
Repayment of long term borrowings	(204,227)	1,261,839
(Repayment) / Proceeds from working capital borrowings	(91,410)	(3,491)
Lease Liability	4,017,786	-
Interest received	122,233	(528,413)
Interest paid	(744,291)	(1,550,866)
Net cash flow used in financing activities (C)	3,100,091	(820,931)
D. Net Increase/(decrease) in cash and cash equivalents (A+B+C)	5,185,010	(3,539,217)
E. Cash and cash equivalents		
at the beginning of the year	(11,527,087)	(7,987,870)
at the end of the year	(6,342,077)	(11,527,087)
Components of cash and cash equivalents		
Balance with banks		
- In current accounts	304,973	929,100
- Deposits with maturity less than 3 months	7,708,847	503,375
Cash on hand	89,640	84,885
Less: Bank overdraft	14,445,537	13,044,447
Cash and cash equivalents at the end of the year	(6,342,077)	(11,527,087)

For CITY ONLINE SERVICES LIMITED


 S. RAGHAVA RAO

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

Particulars	[Rs. in lakhs]					
	Quarter ended			Half Year Ended		Year ended
	30-Sep-19	30-Jun-19	30-Sep-18	30-Sep-19	30-Sep-18	31-Mar-19
	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Audited
I Income						
Revenue from operations	338.45	348.04	367.94	686.49	754.10	1,356.52
II Other income	3.99	5.49	12.99	9.48	19.53	49.91
III Total income (I+II)	342.44	353.53	380.93	695.97	773.63	1,406.43
IV Expenses						
a. Operating expenses	238.35	188.90	250.72	427.25	530.00	967.22
b. Cost of Sales	-	9.15	-	9.15	-	-
c. Employees benefit expense	49.16	48.88	44.83	98.04	87.00	183.50
d. Finance costs	4.95	4.72	3.49	9.67	6.26	15.64
e. Depreciation and amortisation expense	14.97	13.77	10.81	28.74	19.51	39.97
f. Other expenses	51.35	58.39	50.08	109.74	110.18	249.51
Total expenses	358.78	323.81	359.93	682.59	752.95	1,455.84
V Profit/ (Loss) before tax (III-IV)	(16.34)	29.72	20.99	13.38	20.68	(49.41)
VI Tax expense	-	-	-	-	-	41.64
Total tax expense	-	-	-	-	-	41.64
VII Net profit after tax (V-VI)	(16.34)	29.72	20.99	13.38	20.68	(91.05)
VIII Other comprehensive income						
Items that will not be reclassified to profit or loss	(0.59)	(4.46)	(6.41)	(5.05)	(0.95)	6.68
Total other comprehensive income for the period	(0.59)	(4.46)	(6.41)	(5.05)	(0.95)	6.68
Total comprehensive income for the period (VII + VIII)	(16.93)	25.26	14.58	8.33	19.73	(84.37)
Paid up equity capital (Face value of Rs. 10/- each)	516.47	516.47	516.47	516.47	516.47	516.47
Earnings per share (EPS)						
Basic and diluted [In Rs]	(0.32)	0.58	0.41	0.26	0.40	(1.76)

Notes:

- These results have been prepared in accordance with the Indian Accounting Standards [Ind-AS] notified under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules 2015 as amended.
- The above results have been reviewed by the Audit Committee and taken on record and approved by the Board of Directors at their meeting held on November 13, 2019 in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Effective April 01, 2019:** the Company adopted Ind AS 116, Leases, using the modified retrospective approach. Ind AS 116 brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and financial leases. Upon implementation of Ind AS 116, few of the leases for which the company is the lessee became on-balance sheet liabilities with corresponding right-of-use asset also recognised on the balance sheet. Accordingly on April 01, 2019, the company recognised lease liabilities of Rs. 42.61 lakhs and right-of-use asset of Rs. 42.61 lakhs.
- The company is primarily engaged in internet solutions and service. There are no other reportable segments in terms of Indian Accounting Standard 108 on 'Operating Segments'.

Place: Hyderabad
Date: November 13, 2019



By Order of the Board
For City Online Services Limited

S. Raghava Rao
S. Raghava Rao
Chairman and Managing Director
DIN: 01441612

CITY ONLINE SERVICES LIMITED		
Consolidated Balance Sheet as at September 30, 2019		
CIN: L72200TG1999PLC032114		
(All amounts in Indian Rupees, unless otherwise stated)		
Particulars	As at September 30, 2019	As at March 31, 2019
A ASSETS		
1 Non-Current Assets		
(a) Property, plant and equipment	13,866,566	14,968,303
(b) Intangible assets	62,612	62,612
(c) Right of use Assets	3,637,883	-
(d) Financial Assets		
- Investments	1,301,535	1,301,535
- Other non-current financial assets	650,314	1,519,439
(e) Deferred tax assets [Net]	4,835,665	4,835,665
(f) Other non-current assets	52,604	55,168
Total Non-Current Assets [A]	24,407,179	22,742,722
2 Current Assets		
(a) Inventories	13,857,870	14,773,293
(b) Financial Assets		
- Investments	2,123	2,123
- Trade receivables	61,001,150	50,578,740
- Cash and cash equivalents	8,313,303	1,577,795
- Bank balances other than above	4,443,948	11,649,420
- Other current financial assets	1,810,461	904,304
(c) Income Taxes	7,588,300	6,800,295
(d) Other current assets	5,608,974	3,257,147
Total Current Assets [B]	102,626,129	89,543,117
TOTAL ASSETS [A+B]	127,033,308	112,285,839
B EQUITY AND LIABILITIES		
1 Equity		
(a) Equity Share Capital	56,098,330	56,098,330
(b) Other Equity	(32,717,664)	(33,550,576)
Total Equity [A]	23,380,666	22,547,754
2 Non-Current Liabilities		
(a) Financial Liabilities		
- Borrowings	1,057,612	1,261,839
- Lease liability	2,771,060	-
(b) Provisions	2,168,060	2,168,060
Total Non-Current Liabilities [B]	5,996,732	3,429,899
3 Current Liabilities		
(a) Financial Liabilities		
- Borrowings	15,627,829	14,331,234
- Trade payables		
Due to micro and small enterprises	-	-
Due to Others	48,484,037	42,259,883
- Lease Liability	1,464,383	-
- Other current financial liability	26,048	-
(b) Other current liabilities	32,053,614	29,717,069
Total Current Liabilities [C]	97,655,911	86,308,186
TOTAL EQUITY AND LIABILITIES [A+B+C]	127,033,308	112,285,839

For CITY ONLINE SERVICES LIMITED

S. RAJSHYAM RAO
DIRECTOR

Consolidated Cash Flow Statement for the period ended September 30, 2019
(All amounts in Indian Rupees, unless otherwise stated)

Particulars	Period Ended September 30, 2019	Year ended March 31, 2019
A. Cash flow from operating activities		
Loss before tax	1,337,763	(4,899,920)
Adjustments:		
Depreciation and amortisation	1,931,082	3,996,730
ROU Depreciation	942,664	
Interest expense	749,011	1,564,270
Interest on Lease Liability	217,657	
Interest income	(122,233)	(528,413)
Chit dividend	-	(40,616)
Loss on chit funds	-	-
Expected credit loss allowance	(485,420)	(501,802)
Share of profit from Partnership firm [Net]	-	(460,255)
Profit on sale of property, plant & equipment	-	(633,972)
Interest on capital from Partnership firm	-	(77,430)
Remeasurement of post employee benefits	-	176,899
Cash generated before working capital changes	4,570,525	(1,404,509)
Movements in working capital:		
Increase in other non-current financial assets	364,273	448,093
Decrease in other non-current assets	2,564	38,754
Decrease/ (Increase) in inventories	915,423	(560,480)
Increase in trade receivables	(9,936,990)	5,320,935
Decrease/ (Increase) in current loans	-	-
Decrease/ (Increase) in other current financial assets	(906,157)	234,670
Decrease/ (Increase) in other current assets	(2,351,827)	4,944,628
Increase in trade payables	6,224,154	(18,121,732)
Increase in other current liabilities	2,336,545	8,082,525
Increase in other current financial liabilities	26,048	(1,109,994)
Increase in long term provisions	-	87,060
Cash generated from operations	1,244,557	(2,040,050)
Direct taxes (paid)/ refund	(788,005)	(2,619,281)
Net cash flow from operating activities (A)	456,552	(4,659,331)
B. Cash flows from investing activities		
Investment in fixed deposits	7,205,472	1,355,205
ROU Asset	(4,580,548)	
(Proceeds)/ Investment in chit fund	-	2,300,000
Investment in partnership firm	-	299,695
Chit dividend	-	40,616
Interest on capital from Partnership firm	-	77,430
Share of profit from Partnership firm [Net]	-	460,255
Sale of property, plant and equipment	-	1,262,000
Purchase of property, plant and equipment, including intangible assets	(829,345)	(4,851,702)
Net cash flow used in investing activities (B)	1,795,580	943,499

For CITY ONLINE SERVICES LIMITED

S. RAGHAVA RAO
MANAGING DIRECTOR

C. Cash flows from financing activities		
Repayment of long term borrowings		
Lease Liability	(204,227)	1,261,839
Proceeds/ (repayment) of short term borrowings	4,017,786	
Loss on chit funds	(91,410)	(37,101)
Interest received		-
Interest paid	122,233	528,413
	(749,011)	(1,564,270)
Net cash flow (used in)/ from financing activities (C)	3,095,371	188,881
D. Net Increase/(decrease) in cash and cash equivalents (A+B+C)		
		(3,526,951)
E. Cash and cash equivalents		
at the beginning of the year	(11,468,693)	(7,941,742)
at the end of the year	(6,121,190)	(11,468,693)
Components of cash and cash equivalents		
Balance with banks		
- In current accounts	511,425	988,146
- Deposits with original maturity of less than 3 months	7,708,847	503,375
Cash on hand	93,031	86,274
Less: Bank overdraft	(14,434,493)	(13,046,488)
Cash and cash equivalents at the end of the year	(6,121,190)	(11,468,693)

For CITY ONLINE SERVICES LIMITED

S. Raghava Rao
S. RAGHAVA RAO

CHAIRMAN & MANAGING DIRECTOR



INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

To
The Board of Directors
City Online Services Limited,
Hyderabad.

We have reviewed the accompanying statement of unaudited financial results of City Online Services Limited ("the Company") for the period ended **30th September, 2019**. 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 financial statements based on our review.

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. 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 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 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **Laxminiwas & Co**
Chartered Accountants
Firm Registration No: 011168S


Guharoy Ashish Kumar
Partner

Membership No: 018659

UDIN: 19018659AAAABA1842



Hyderabad
13th November, 2019.



T: 040 2324 0700 / 900
F: 040 4010 0860



www.Lncofirm.com



Laxminiwas & Co.

Head Office: 6-3-569, 4th Floor, Above BMW Showroom,
Opp. RTA Office Khairatabad, Hyderabad- 500 082 Telangana, India.

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF CONSOLIDATED UNAUDITED QUARTERLY AND YEAR TO DATE FINANCIAL RESULTS

To
The Board of Directors
City Online Services Limited,
Hyderabad.

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of City Online Services Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net loss after tax for the quarter ended **30th September, 2019** and for the period from 1st April, 2019 to 30th September, 2019 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent'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 also performed 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, to the extent applicable.

4. The Statement includes the results of the following entities:
 - a. City Online Digital Private Limited
 - b. City Online Media Private Limited



T: 040 2324 0700 / 900
F: 040 4010 0860



www.Lncolirm.com

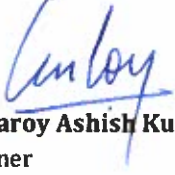


Laxminiwas & Co.

Head Office: 6-3-569, 4th Floor, Above BMW Showroom,
Opp. RTA Office Khairatabad, Hyderabad- 500 082 Telangana, India

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.

For Laxminiwas & Co
Chartered Accountants
Firm Registration No: 011168S



Guharoy Ashish Kumar
Partner

Membership No: 018659

UDIN : 19018659AA AAB B1081



Hyderabad
13th November, 2019.