



May 22, 2015

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 May 22, 2015**

Dear Sir,

This is to inform that the Board of Directors of the Company in the meeting held on May 22, 2015 had considered and approved the following:-

- i. Audited standalone financial results of the Company for 3 months financial period (Q4) ended on March 31, 2015;
- ii. Audited standalone & consolidated financial results for 12 months financial year ended on March 31, 2015;
- iii. To convene 27<sup>th</sup> Annual General Meeting on July 22, 2015;
- iv. The Register of Members and Share Transfer Books of the Company will remain closed from July 16, 2015 to July 22, 2015 (both days inclusive) for the purpose of 27<sup>th</sup> AGM;

Please find enclosed the audited financial results for the quarter (Q4) and 12 months financial year ended on March 31, 2015.

Kindly take the above on record.

Thanking you,  
Yours faithfully,

For HOV Services Limited

  
Bhuvanesh Sharma  
VP-Corporate Affairs &  
Company Secretary

## HOV Services Limited

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CIN : L72200PN1989PLC014448 Tel: 91-20 24221460, Fax: 91-20 24221470, [www.hovsld.com](http://www.hovsld.com)

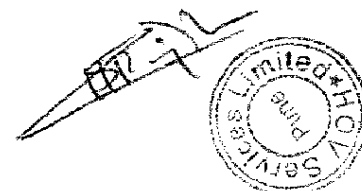
**HOV SERVICES LIMITED**  
**Audited Results for the Quarter and Year ended on March 31, 2015**

**PART I**

(Rs. in Lakhs, except per share data)

| Consolidated           |                                            | Particulars                                                                                                    | Standalone                |                              |                           |                        |                                            |
|------------------------|--------------------------------------------|----------------------------------------------------------------------------------------------------------------|---------------------------|------------------------------|---------------------------|------------------------|--------------------------------------------|
| Year Ended<br>March 31 | Fifteen Months<br>Period Ended<br>March 31 |                                                                                                                | Quarter Ended<br>March 31 | Quarter Ended<br>December 31 | Quarter Ended<br>March 31 | Year Ended<br>March 31 | Fifteen Months<br>Period Ended<br>March 31 |
| 2015                   | 2014                                       |                                                                                                                | 2015                      | 2014                         | 2014                      | 2015                   | 2014                                       |
| Audited                | Audited                                    |                                                                                                                | Audited*                  | Unaudited                    | Audited*                  | Audited                | Audited                                    |
|                        |                                            | <b>1 Income from operations</b>                                                                                |                           |                              |                           |                        |                                            |
| 1,640.44               | 1,732.62                                   | (a) Income from operations                                                                                     | 290.94                    | 322.89                       | 325.44                    | 1,254.46               | 1,592.38                                   |
| 57.08                  | 31.44                                      | (b) Other operating income                                                                                     | -                         | 8.35                         | -                         | 9.51                   | 47.60                                      |
| <b>1,697.52</b>        | <b>1,764.06</b>                            | <b>Total Income from operations (Net)</b>                                                                      | <b>290.94</b>             | <b>331.24</b>                | <b>325.44</b>             | <b>1,263.97</b>        | <b>1,639.98</b>                            |
|                        |                                            | <b>2 Expenses</b>                                                                                              |                           |                              |                           |                        |                                            |
| -                      | -                                          | (a) Cost of materials                                                                                          | -                         | -                            | -                         | -                      | -                                          |
| 1,042.09               | 1,285.04                                   | (b) Employee benefits expense                                                                                  | 274.16                    | 249.60                       | 255.16                    | 1,006.39               | 1,221.74                                   |
| 101.29                 | 97.45                                      | (c) Depreciation and amortisation expense                                                                      | 9.37                      | 9.51                         | 8.72                      | 43.69                  | 40.34                                      |
| 779.00                 | 699.20                                     | (d) Other expenses                                                                                             | 53.90                     | 87.70                        | 115.83                    | 333.26                 | 514.62                                     |
| -                      | -                                          | (e) Reimbursement of corporate charges                                                                         | -                         | -                            | -                         | -                      | (197.45)                                   |
| <b>1,922.38</b>        | <b>2,081.69</b>                            | <b>Total expenses</b>                                                                                          | <b>337.43</b>             | <b>346.81</b>                | <b>379.71</b>             | <b>1,383.34</b>        | <b>1,579.25</b>                            |
| (224.86)               | (317.63)                                   | <b>3 Profit/(Loss) from operations before other income, finance costs (1-2)</b>                                | (46.49)                   | (15.57)                      | (54.27)                   | (119.37)               | 60.73                                      |
| -                      | 69.94                                      | <b>4 Other income</b>                                                                                          | 20.25                     | 18.38                        | 26.45                     | 72.17                  | 79.83                                      |
| (224.86)               | (247.69)                                   | <b>5 Profit/(Loss) from ordinary activities before finance costs (3+4)</b>                                     | (26.24)                   | 2.81                         | (27.82)                   | (47.20)                | 140.56                                     |
| 41.07                  | 15.98                                      | <b>6 Finance costs</b>                                                                                         | -                         | -                            | -                         | -                      | -                                          |
| (265.93)               | (263.67)                                   | <b>7 Profit/(Loss) from ordinary activities before tax (5-6)</b>                                               | (26.24)                   | 2.81                         | (27.82)                   | (47.20)                | 140.56                                     |
| (17.87)                | 43.27                                      | <b>8 Tax expense</b>                                                                                           | (11.18)                   | 0.97                         | (9.38)                    | (17.87)                | 55.26                                      |
| (248.06)               | (306.94)                                   | <b>9 Net Profit/(Loss) for the year before minority interest and before profit/(loss) of associates (7-8)</b>  | (15.06)                   | 1.84                         | (18.44)                   | (29.33)                | 85.30                                      |
| (47.04)                | (64.14)                                    | <b>10 Minority interest</b>                                                                                    | -                         | -                            | -                         | -                      | -                                          |
| (201.02)               | (242.80)                                   | <b>11 Net Profit/(Loss) for the year after minority interest but before profit/(loss) of associates (9-10)</b> | (15.06)                   | 1.84                         | (18.44)                   | (29.33)                | 85.30                                      |
| (15,331.20)            | (4,644.98)                                 | <b>12 Share of profit/(Loss) of associates</b>                                                                 | -                         | -                            | -                         | -                      | -                                          |
| <b>(15,532.22)</b>     | <b>(4,887.78)</b>                          | <b>13 Net Profit/(Loss) after taxes, minority interest and share of profit / (Loss) of associates (11+12)</b>  | <b>(15.06)</b>            | <b>1.84</b>                  | <b>(18.44)</b>            | <b>(29.33)</b>         | <b>85.30</b>                               |
| 1,251.40               | 1,249.95                                   | <b>14 Paid-up equity share capital (Face Value of Rs. 10 each)</b>                                             | 1,251.40                  | 1,251.40                     | 1,249.95                  | 1,251.40               | 1,249.95                                   |
| 56,557.98              | 15,580.99                                  | <b>15 Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year</b>             | -                         | -                            | -                         | 7,277.24               | 7,306.08                                   |
| (124.20)               | (39.13)                                    | <b>16 Basic &amp; Diluted Earnings per share of (Rs. 10 each) (not annualized)</b>                             | (0.12)                    | 0.01                         | (0.15)                    | (0.23)                 | 0.68                                       |

See accompanying note to the financial results

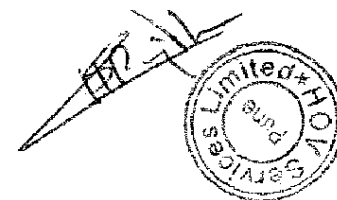


| PART II                                                             |                                                                                          |                           |                              |                           |                        |                                            |
|---------------------------------------------------------------------|------------------------------------------------------------------------------------------|---------------------------|------------------------------|---------------------------|------------------------|--------------------------------------------|
| Select Information for the Quarter and Year Ended on March 31, 2015 |                                                                                          |                           |                              |                           |                        |                                            |
|                                                                     | Particulars                                                                              | Quarter Ended<br>March 31 | Quarter Ended<br>December 31 | Quarter Ended<br>March 31 | Year Ended<br>March 31 | Fifteen Months<br>Period Ended<br>March 31 |
|                                                                     |                                                                                          | 2015                      | 2014                         | 2014                      | 2015                   | 2014                                       |
|                                                                     |                                                                                          | Audited                   | Unaudited                    | Unaudited                 | Audited                | Audited                                    |
| A                                                                   | <b>PARTICULARS OF SHAREHOLDING</b>                                                       |                           |                              |                           |                        |                                            |
|                                                                     | <b>Public shareholding</b>                                                               |                           |                              |                           |                        |                                            |
|                                                                     | - Number of shares                                                                       | 62,95,643                 | 63,13,443                    | 63,10,443                 | 62,95,643              | 63,10,443                                  |
|                                                                     | - Percentage of shareholding                                                             | 50.31                     | 50.50                        | 50.49                     | 50.31                  | 50.49                                      |
|                                                                     | <b>Promoters and promoter group shareholding</b>                                         |                           |                              |                           |                        |                                            |
|                                                                     | a) Pledged/Encumbered                                                                    |                           |                              |                           |                        |                                            |
|                                                                     | - Number of shares                                                                       | -                         | -                            | -                         | -                      | -                                          |
|                                                                     | - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | -                         | -                            | -                         | -                      | -                                          |
|                                                                     | - Percentage of shares (as a % of the total share capital of the company)                | -                         | -                            | -                         | -                      | -                                          |
|                                                                     | b) Non-encumbered                                                                        |                           |                              |                           |                        |                                            |
|                                                                     | - Number of shares                                                                       | 62,18,379                 | 61,89,079                    | 61,89,079                 | 62,18,379              | 61,89,079                                  |
|                                                                     | - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | 100.00                    | 100.00                       | 100.00                    | 100.00                 | 100.00                                     |
|                                                                     | - Percentage of shares (as a % of the total share capital of the company)                | 49.69                     | 49.50                        | 49.51                     | 49.69                  | 49.51                                      |

|   |                                                                                                                                                                               |
|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| B | <b>INVESTOR COMPLAINTS FOR CURRENT QUARTER ENDED MARCH 31, 2015</b>                                                                                                           |
|   | Pending at the beginning of the quarter:- Nil; Received during the quarter:- Nil; Disposed off during the quarter:- Nil; Remaining unresolved at the end of the quarter:- Nil |

(Rs. In Lakhs)

| Segment wise Revenue, Results and Capital Employed - Consolidated          |                                         |                                                  |
|----------------------------------------------------------------------------|-----------------------------------------|--------------------------------------------------|
| Particulars                                                                | For the Year<br>Ended March<br>31, 2015 | Fifteen Months<br>Period Ended<br>March 31, 2014 |
| <b>Segment Revenue :</b>                                                   |                                         |                                                  |
| (a) Software and IT Enabled Services                                       | 1,254.28                                | 1,590.92                                         |
| (b) Environment Solutions Business                                         | 386.15                                  | 141.69                                           |
| <b>Net sales/Income From Operations</b>                                    | <b>1,640.43</b>                         | <b>1,732.61</b>                                  |
| <b>Segment Results Profit/(Loss) before tax and interest from segment:</b> |                                         |                                                  |
| (a) Software and IT Enabled Services                                       | (125.03)                                | (4,767.73)                                       |
| (b) Environment Solutions Business                                         | (156.91)                                | (162.19)                                         |
| (c) Unallocated Income (Net of Expenses)                                   | 57.08                                   | 101.39                                           |
| <b>Total Profit/(Loss) Before Tax</b>                                      | <b>(224.86)</b>                         | <b>(4,828.53)</b>                                |
| <b>Capital Employed</b>                                                    |                                         |                                                  |
| (a) Software and IT Enabled Services                                       | 57,403.41                               | 16,351.78                                        |
| (b) Environment Solutions Business                                         | 158.40                                  | 260.12                                           |
| (c) Unallocated                                                            | 251.89                                  | 219.05                                           |
| <b>Total</b>                                                               | <b>57,813.70</b>                        | <b>16,830.95</b>                                 |



## HOV SERVICES LIMITED

(Rs. In Lakhs)

| Consolidated     |                  | Statement of Assets and Liabilities                     |                 | Standalone      |  |
|------------------|------------------|---------------------------------------------------------|-----------------|-----------------|--|
| As at March 31,  | As at March 31,  | Particulars                                             | As at March 31, | As at March 31, |  |
| 2015             | 2014             |                                                         | 2015            | 2014            |  |
| Audited          | Audited          |                                                         | Audited         | Audited         |  |
|                  |                  | <b>A EQUITIES AND LIABILITIES</b>                       |                 |                 |  |
|                  |                  | <b>1 Shareholders' funds</b>                            |                 |                 |  |
| 1,251.40         | 1,249.95         | a) Share capital                                        | 1,251.40        | 1,249.95        |  |
| 56,557.98        | 15,580.99        | b) Reserves & surplus                                   | 7,277.24        | 7,306.08        |  |
| <b>57,809.38</b> | <b>16,830.94</b> | <b>Sub total Shareholders' funds</b>                    | <b>8,528.64</b> | <b>8,556.03</b> |  |
| 4.32             | -                | <b>2 Share Application Money pending ESOP Allotment</b> | 4.32            | -               |  |
| -                | 47.04            | <b>3 Minority interest</b>                              | -               | -               |  |
|                  |                  | <b>4 Non-current liabilities</b>                        |                 |                 |  |
| 681.42           | 741.17           | a) Long-term borrowings                                 | 678.66          | 737.31          |  |
| -                | -                | b) Deferred tax liabilities (net)                       | -               | 11.41           |  |
| <b>681.42</b>    | <b>741.17</b>    | <b>Sub total Non-current liabilities</b>                | <b>678.66</b>   | <b>748.72</b>   |  |
|                  |                  | <b>5 Current liabilities</b>                            |                 |                 |  |
| 517.92           | 229.32           | a) Short-term borrowings                                | -               | -               |  |
| 127.23           | 136.74           | b) Trade Payables                                       | 107.92          | 115.33          |  |
| 592.85           | 385.12           | c) Other current liabilities                            | 118.82          | 102.58          |  |
| 81.57            | 82.86            | d) Short-term provisions                                | 81.57           | 82.86           |  |
| <b>1,319.57</b>  | <b>834.05</b>    | <b>Sub total Current liabilities</b>                    | <b>308.31</b>   | <b>300.77</b>   |  |
| <b>59,814.69</b> | <b>18,453.20</b> | <b>TOTAL - EQUITY AND LIABILITIES</b>                   | <b>9,519.93</b> | <b>9,605.52</b> |  |
|                  |                  | <b>B ASSETS</b>                                         |                 |                 |  |
|                  |                  | <b>1 Non-current assets</b>                             |                 |                 |  |
| 378.55           | 479.09           | a) Fixed assets                                         | 57.32           | 104.90          |  |
| 0.38             | 0.38             | b) Goodwill on consolidation                            | -               | -               |  |
| 57,277.86        | 16,119.27        | c) Non-current investments                              | 7,596.97        | 7,615.78        |  |
| 18.45            | 0.57             | d) Deferred tax assets (net)                            | 6.46            | -               |  |
| 12.81            | 45.99            | e) Long-term loans and advances                         | 191.00          | 209.48          |  |
| 344.38           | 313.28           | f) Other non-current assets                             | 344.38          | 324.48          |  |
| <b>58,032.43</b> | <b>16,958.58</b> | <b>Sub total Non-current assets</b>                     | <b>8,196.13</b> | <b>8,254.64</b> |  |
|                  |                  | <b>2 Current assets</b>                                 |                 |                 |  |
| 427.95           | 288.03           | a) Trade receivables                                    | 262.11          | 285.82          |  |
| 936.35           | 841.37           | b) Cash and cash equivalents                            | 904.77          | 777.46          |  |
| 127.49           | 140.75           | c) Short-term loans and advances                        | 97.74           | 228.86          |  |
| 290.47           | 224.47           | d) Other current assets                                 | 59.18           | 58.74           |  |
| <b>1,782.26</b>  | <b>1,494.62</b>  | <b>Sub total Current assets</b>                         | <b>1,323.80</b> | <b>1,350.88</b> |  |
| <b>59,814.69</b> | <b>18,453.20</b> | <b>TOTAL - ASSETS</b>                                   | <b>9,519.93</b> | <b>9,605.52</b> |  |

For, HOV Services Limited



*Sunil Rajadhyaksha*  
**Sunil Rajadhyaksha**  
 Chairman & Executive Director

Place: Mumbai

Date: May 22, 2015

**Notes:**

- 1 The audited accounts of the Company were approved by the Board of Directors at its meeting held on May 22, 2015 after review by the Audit Committee at its meeting held on May 22, 2015.
- 2 Other Income includes net rental income/Loss as follows :
 

|                                  | Quarter Ended<br>31-Mar-15 | Quarter Ended<br>31-Dec-14 | Quarter Ended<br>31-Mar-14 | Year ended<br>31-Mar-15 | 15 months ended<br>31-Mar-14 |
|----------------------------------|----------------------------|----------------------------|----------------------------|-------------------------|------------------------------|
| Rent Income                      | 26.62                      | 26.62                      | 26.62                      | 106.48                  | 133.10                       |
| Less: Finance and borrowing cost | 24.27                      | 24.63                      | 26.06                      | 99.45                   | 131.26                       |
| Less: Amortisation expense       | 4.70                       | 4.70                       | 4.70                       | 18.81                   | 23.52                        |
- 3 \*The figures of last quarter are the balancing figures between audited figures in respect of the full financial year and published year to date figures upto the previous quarter of the current financial year.
- 4 The appointment and remuneration payable to all three whole time directors of the Company were approved by the shareholders in their 23rd Annual General Meeting held on August 3, 2011. The Central Government approved the appointment for period of five years from April 1, 2011 to March 31, 2016 but the remuneration of Rs. 48 lacs per year for a period of three years from April 1, 2011 to March 31, 2014 in its letter dated October 13, 2011. The Company filed an application on March 21, 2014 to the Central Government seeking approval to allow for the remuneration payable for remaining period of two years from April 1, 2014 to March 31, 2016 to be Rs 48 lacs per year. The Ministry of Corporate Affairs directed the Company by a letter dated July 31, 2014 to comply with the provisions of the New Companies Act, 2013, for payment of remuneration to whole time directors. During the current year, the Company has provided managerial remuneration based on shareholders' approval upto March 31, 2016. The requisite approval from the Shareholders and Central Government will be obtained for remaining period of 2 years from April 1, 2014 to March 31, 2016 of their term.
- 5 a) Pursuant to shareholders' approval on November 4, 2014, SourceHOV Holdings Inc. ("SourceHOV"), a company in which HOVS LLC, wholly owned US subsidiary of HOV Services Limited, holds an investment, completed the merger with BancTec Group LLC. Post-merger the equity ownership of HOVS LLC in SourceHOV increased from 26.1% to 44.8%. The Audited accounts of SourceHOV as of December 31, 2014 have been used in consolidation of accounts as per Accounting Standard 23 "Accounting for Investments in Associates". The fair value of HOVS LLC investment on November 4, 2014 in SourceHOV has been valued at US\$ 95million based on an Independent valuation report and fairness opinion from SEBI registered merchant banker. Accordingly, additional Capital Reserve of Rs 58240.25 lacs was recognised being the fair value of investment in the associate over the carrying value of investment.  
b) HOVS LLC's share of loss before merger for the period from January 1, 2014 till October 31, 2014 is Rs 15013.9 lacs and the loss post-merger from November 1, 2014 till December 31, 2014 is Rs 317.3 lacs, aggregating to the loss of Rs. 15331.2 lacs which has been consolidated as loss of associates.
- 6 The consolidated financial statements of the Company are prepared in accordance with the consolidation procedures under AS 21 'Consolidated Financial Statements' and an associate consolidated as per AS 23 'Accounting for Investments in associates, in consolidated financial statement' prescribed by the Companies (Accounting Standards) Rules, 2006
- 7 a) The current financial year comprises 12 months period ended March 31, 2015 as against previous financial year comprising of 15 months period ending March 31, 2014 therefore, figures of the current year are not comparable with those of the previous period.  
b) Previous periods' figures are regrouped/rearranged wherever considered necessary to conform to current year's/periods' presentation.

For, HOV Services Limited

Place: Mumbai  
Date: May 22, 2015

  
**Sunil Rajadhyaksha**  
Chairman & Executive Director

