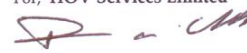


HOV SERVICES LIMITED				
Standalone Financial Results for the quarter and Year ended on March 31, 2010				
(Rs. In Lacs, except per share data)				
Particulars	Quarter ended March 31,		Year ended March 31,	Year ended March 31,
	2010	2009	2010	2009
	Unaudited	Unaudited	Audited	Audited
<b>1 Income</b>				
(a) Income from Operations	402.26	88.17	749.12	437.74
(b) Foreign Exchange Variation (Net)	0.57	3.71	5.28	26.96
	<b>402.83</b>	<b>91.88</b>	<b>754.40</b>	<b>464.70</b>
<b>2 Expenditure</b>				
(a) Employees cost	70.40	99.93	321.35	372.68
(b) Depreciation	8.48	8.69	35.12	37.85
(c) Other expenditure	13.41	(7.20)	61.28	67.48
(d) Professional expenses	14.18	50.01	27.89	77.96
(e) Public relation expenses	(4.05)	1.80	0.60	10.40
(f) Power and fuel charges	4.96	3.49	21.42	12.77
(g) Rent	10.59	10.34	41.86	42.88
(h) Hotel & lodging Expenses	9.60	0.38	12.44	2.06
(i) Travelling & conveyance	11.72	11.37	39.32	34.91
(j) Foreign Exchange Variation (Net)	15.00	-	35.63	-
(k) Reimbursement of Corporate Charges from Subsidiary	(38.57)	(34.37)	(159.04)	(70.71)
(l) <b>Total</b>	<b>115.72</b>	<b>144.44</b>	<b>437.87</b>	<b>588.28</b>
<b>3 Profit / (Loss) from Operations before Other Income, Interest &amp; Exceptional Items (1-2)</b>	<b>287.11</b>	<b>(52.56)</b>	<b>316.53</b>	<b>(123.58)</b>
<b>4 Other Income</b>	<b>5.34</b>	<b>4.16</b>	<b>29.03</b>	<b>2.88</b>
<b>5 Profit / (Loss) before Interest &amp; Exceptional Items (3+4)</b>	<b>292.45</b>	<b>(48.40)</b>	<b>345.56</b>	<b>(120.70)</b>
<b>6 Interest</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>1.36</b>
<b>7 Profit / (Loss) after Interest but before Exceptional Items (5-6)</b>	<b>292.45</b>	<b>(48.40)</b>	<b>345.56</b>	<b>(122.06)</b>
<b>8 Tax expense</b>	<b>53.52</b>	<b>22.47</b>	<b>53.22</b>	<b>35.39</b>
<b>9 Net Profit/(Loss) from Ordinary Activities after tax (7-8)</b>	<b>238.93</b>	<b>(70.87)</b>	<b>292.35</b>	<b>(157.45)</b>
<b>10 Paid-up equity share capital (Face Value Rs.10 each)</b>	<b>1,249.10</b>	<b>1,251.10</b>	<b>1,249.10</b>	<b>1,251.10</b>
<b>11 Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year</b>	<b>-</b>	<b>-</b>	<b>6,710.09</b>	<b>6,703.81</b>
<b>12 Earnings Per Share (EPS)</b>				
(a) Basic and diluted EPS before Extraordinary items for the period, for the year to date and for the previous year (not to be annualized)	1.91	(0.56)	2.34	(1.25)
(b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (not to be annualized)	1.91	(0.56)	2.34	(1.25)
<b>13 Public shareholding</b>				
- Number of shares	5,517,669	5,563,091	5,517,669	5,563,091
- Percentage of shareholding	44.17	44.47	44.17	44.47
<b>14 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	6,973,353	6,947,931	6,973,353	6,947,931
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00
- Percentage of shares (as a % of the total share capital of the company)	55.83	55.53	55.83	55.53
<b>Notes:</b> 1 Financial results for the current and previous year have been Audited by the Auditors of the Company, reviewed by the Audit Committee and approved at the Board Meeting held on May 24, 2010. 2 Status of Investor Complaints for the quarter ended March 31, 2010: Complaints pending at the beginning of the quarter - Nil ; Complaints received during the quarter - 1 ; Complaints disposed off during the quarter - 1 ; Complaints at the end of the quarter - Nil . 3 The Company is engaged in the BPO business of Finance and Accounting Sector. Accordingly, there are no separate reportable segments as per AS 17 on "Segment Reporting". 4 Pursuant to the approval of the Board of Directors vide meeting held on January 13, 2009, the Company has bought back 63,023 shares upto January 12, 2010 when the buy back was closed, through open market transactions for an aggregate amount of Rs. 18.95 lakhs. 5 Effective January 1, 2010, the Group sold it's accounts receivable management activities comprising of 100% interest in Bay Area Credit Services, LLC, 100% interest in HOV AR Management Services Private Limited, and also it's 30% minority interest in TRAC Holdings, LLC and SAM Holdings, LLC for Rs 55.6 Crores based on an independent valuer's report which resulted in an exceptional loss of Rs 132.8 Crores in the consolidated results. 6 a) The Company paid interim dividend of Rs. 2/- per fully paid up equity share of Rs. 10/- each on February 18, 2010. b) The Board of Directors at above meeting have recommended final dividend of Rs. 2/- per fully paid up equity share of Rs.10/- each subject to approval of shareholders in the ensuing Annual General Meeting. 7 Previous period's/year's figures are regrouped/rearranged wherever considered necessary to conform to current period's/year's presentation.				
Place: Chennai Date: May 24, 2010			For, HOV Services Limited  Parvinder S Chadha Chairman & Executive Director	



# HOV SERVICES LIMITED

## Consolidated Financial Results for the Quarter And Year Ended on March 31, 2010

(Rs. In Lacs, except per share data)

Particulars	Quarter ended		Year ended	
	March 31,		March 31,	
	2010	2009	2010	2009
	Unaudited	Unaudited	Audited	Audited
1. Income				
(a) Income from Operations	18,435.15	22,889.89	84,839.35	89,707.20
	18,435.15	22,889.89	84,839.35	89,707.20
2. Expenditure				
(a) Employees cost	9,029.62	11,195.05	44,745.99	45,188.34
(b) Depreciation	555.48	756.51	2,521.65	2,365.28
(c) Other Expenditure	5,966.98	8,216.93	27,545.26	32,955.96
(d) Foreign Exchange Loss (Net)	14.43	423.09	509.46	302.43
(e) Total	15,566.51	20,591.58	75,322.36	80,812.01
3. Profit from Operations before Other Income	2,868.64	2,298.31	9,516.99	8,895.19
4. Other Income	21.08	109.02	147.43	217.15
5. Profit before Interest and Exceptional Item	2,889.72	2,407.33	9,664.42	9,112.34
6. Interest	653.48	905.11	3,362.52	4,447.77
7. Profit before Tax, Minority Interest and Exceptional Item	2,236.24	1,502.22	6,301.90	4,664.57
8. Tax Expense (Benefit)	261.27	(346.21)	638.78	29.22
10. Profit after Tax before Exceptional Item and Minority Interest	1,974.97	1,848.43	5,663.12	4,635.35
11. Exceptional Item	13,276.35	-	13,276.35	-
12. Net Profit (Loss) after Tax, Exception Item, and before Minority Interest	(11,301.38)	1,848.43	(7,613.23)	4,635.35
13. Minority Interest	-	(80.09)	(29.19)	(3.36)
14. Net Profit (Loss)	(11,301.38)	1,928.52	(7,584.04)	4,638.71
15. Paid-up equity share capital (Face Value Rs.10 each)	1,249.10	1,251.10	1,249.10	1,251.10
16. Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	7,553.55	17,712.92
17. Earnings Per Share (EPS) before Exceptional item				
(a) Basic EPS	15.81	15.37	45.57	36.96
(b) Diluted EPS	15.81	15.37	45.57	36.96
18. Earnings Per Share (EPS) after Exceptional item				
(a) Basic EPS	(90.48)	15.37	(60.72)	36.96
(b) Diluted EPS	(90.48)	15.37	(60.72)	36.96
19. Public shareholding				
- Number of shares	5,517,669	5,563,091	5,517,669	5,563,091
- Percentage of shareholding	44.17	44.47	44.17	44.47
20. Promoters and promoter group Shareholding				
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	6,973,353	6,947,931	6,973,353	6,947,931
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00
- Percentage of shares (as a % of the total share capital of the company)	55.83	55.53	55.83	55.53

### Notes:

- a) The consolidated results of HOV Services Ltd. (HOVS) and its domestic and foreign subsidiaries are prepared in accordance with Accounting Standard (AS) 21 on Consolidated Financial Statements issued by the Institute of Chartered Accountants of India. Financial results for the current and previous year have been Audited by the Auditors of the Company and with regard to the financial results of the subsidiaries consolidated hereinabove, by the Auditors of the respective subsidiary companies.  
b) The above consolidated results were reviewed by the Audit Committee and approved at the Board Meeting held on May 24, 2010.
- Status of Investor Complaints for the quarter ended March 31, 2010: Complaints pending at the beginning of the quarter - Nil ; Complaints received during the quarter - 1 ; Complaints disposed off during the quarter - 1 ; Complaints at the end of the quarter - Nil .
- The Company is engaged in the BPO business of Finance and Accounting Sector. Accordingly, there are no separate reportable segments as per AS 17 on "Segment Reporting".
- Pursuant to the approval of the Board of Directors vide meeting held on January 13, 2009, the Company has bought back 63,023 shares upto January 12, 2010 when the buy back was closed, through open market transactions for an aggregate amount of Rs. 18.95 lakhs.
- Effective January 1, 2010, the Group sold its accounts receivable management activities comprising of 100% interest in Bay Area Credit Services, LLC, 100% interest in HOV AR Management Services Private Limited, and also its 30% minority interest in TRAC Holdings, LLC and SAM Holdings, LLC for Rs 55.6 Crores based on an independent valuer's report which resulted in an exceptional loss of Rs 132.8 Crores. As such the figures for the current quarter/year are not comparable.
- a) The Company paid interim dividend of Rs. 2/- per fully paid up equity share of Rs. 10/- each on February 18, 2010.  
b) The Board of Directors at above meeting have recommended final dividend of Rs. 2/- per fully paid up equity share of Rs.10/- each subject to approval of shareholders in the ensuing Annual General Meeting.
- Company's standalone Turnover is Rs. 749.12 lakhs; Profit before Tax is Rs. 345.56 lakhs and Profit after Tax is Rs. 292.35 lakhs for the year ended March 31, 2010.
- Pursuant to Clause 41 of the Listing Agreement, the Company has published Audited Consolidated financial results. The Audited stand alone financial results of the Company will, however, be available on the Company's web site www. Hovservices.com or on the website of BSE (www.bseindia.com) or NSE (www.nseindia.com).
- Previous period's/ year's figures are regrouped/ rearranged wherever considered necessary to conform to current period's/ year's presentation.

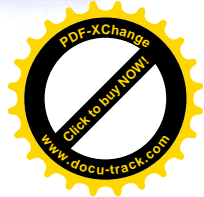
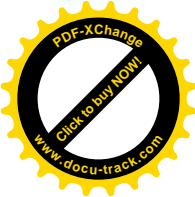
Place: Chennai  
Date: May 24, 2010



For, HOV Services Limited

Parvinder S Chadha  
Chairman & Executive Director





## HOV Services, Ltd Reports FY 2009-10 Results

Chennai, May 24, 2010: HOV Services, Ltd. (BSE:532761,NSE: HOVS), India's top tier BPO/KPO Company announced its results for the fiscal year and quarter ended March 31, 2010.

### Financial Highlights for Fiscal Year and Quarter ended March 31, 2010

#### Material Transaction

The Company's wholly owned subsidiary, HOV Services, LLC sold certain assets: 100% interest in Bay Area Credit Services, LLC, 100% interest in HOV AR Management Services Private Limited, and its 30 % minority interests in TRAC Holdings, LLC and SAM Holdings, LLC for \$12 million USD in cash (approximately Rs. 56 Cr), which resulted in an exceptional loss of 132.8 Cr.

Below are the proforma results for the year ended March 31, 2010 and the Fourth Quarter and year to date excluding the ARM business for the related period:

Particulars <i>Rs In Million's</i>	Year ended March 31,	Year ended March 31,	% Change	Quarter ended March 31,	Quarter ended December 31,	% Change
	2009-10	2008-09		2009-10	2009-10	
	EXCLUDING ARM	EXCLUDING ARM		EXCLUDING ARM	EXCLUDING ARM	
TOTAL INCOME	7,353.04	7,288.57	0.9%	1,843.52	1,815.20	1.6%
EBITDA	1,349.26	1,193.08	13.1%	342.41	329.70	3.9%
EBITDA %	18.3%	16.4%		18.6%	18.2%	
PAT	762.29	641.44	18.8%	197.50	191.50	3.1%
PAT %	10.4%	8.8%		10.7%	10.5%	
Excluding ARM Impact Basic and Diluted EPS	61.02	51.27		15.81	15.31	

#### **Consolidated Financial Proforma Performance for the Fiscal Year ended March 31, 2010, excluding the Material Transaction**

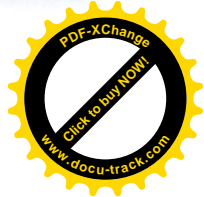
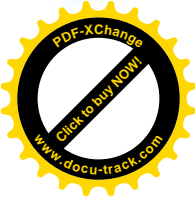
- Consolidated total Income for the FY2010 increased by 0.9% to Rs 7,353.0 million from Rs 7,288.6 million for the fiscal year 2008-09.
- EBITDA increased by 13.1% for the FY2010 to Rs 1,349.3 million from Rs 1,193.1 million over the last fiscal year 2008-09 and EBITDA margins increased from 16.4% to 18.3%.
- Net Profit increased by 18.8% for the FY2010 to Rs 762.3 million from Rs 641.4 million over the fiscal year 2008-09.
- Basic and diluted Earnings per Share (EPS) is Rs 61.02 for the fiscal year.
- Pro forma diluted EPS is Rs 33.19 after giving effect to all shares that would be issued.

#### **Consolidated Financial Proforma Performance for the Fourth Quarter ended March 31, 2010, excluding the Material Transaction**

- Total Income for the fourth quarter increased 1.6% to Rs 1,843.5 million from Rs 1,815.0 million over the third quarter FY2010.
- EBITDA increased by 3.9% for the fourth quarter to Rs 342.4 million from Rs 329.7 million over the third quarter FY 2009-10 and EBITDA margins increased from 18.2% to 18.6%.

For HOV Services Limited  
  
Bhuvanesh Sharma  
Company Secretary





- Net Profit increased by 3.1% to Rs197.5 million from Rs 191.5.7 million over the third quarter FY 2009-10.
- The basic and diluted EPS for this three month period is Rs 15.81 per share.

#### **Significant Developments during the Fourth Quarter Fiscal Year 2009-10 and noteworthy items**

- Added over US \$9.9 million in customer contracts in the fourth Fiscal Quarter 2009-10, and \$68.8 million for the Fiscal Year ended March 31, 2010.
- Developed and launched four new hosted services to expand our presence in Healthcare, e-learning and F&A services.
- Top 100 clients represent over 79% of total revenues with the largest customer representing only 17% of total revenues.
- International Association of Outsourcing Professionals (IAOP) ranked us:
  1. Best 20 Leaders by Industry Focus: Health Care;
  2. Best 10 Companies by Service Offered: Document Management;
  3. Best 10 Leaders by Service Offered: Financial Management;
  4. Best 20 Leaders by Region Served: India;
  5. Best 20 Leaders by Region Served: Canada;
- Company maintained strong liquidity position with DSO of 53 days, Debt to Equity Ratio of 1.4:1 and Net Bank Debt of US \$102.8 million at March 31, 2010, down \$16.3 million from March 31, 2009.

#### **Final Dividend**

The Board of Directors at the meeting held on May 24, 2010 recommended a final dividend of Rs. 2/- per fully paid up equity share of Rs. 10/- each (face value) for the financial year 2009-10 subject to the approval of the shareholders.

Earlier the Board of Directors in their meeting held on January 28, 2010 had declared an interim Dividend of Rs. 2/- per share of Rs. 10/- each (face value) for the year ended March 31, 2010 and it was paid to the shareholders on February 18, 2010.

#### **About HOV Services Limited**

HOV Services Limited one of the largest end-to-end BPO company headquartered in Chennai, India provides Finance and Accounting services in the BFSI, Healthcare, Government, Telco, Publishing, Retail, Commercial and Industrial Manufacturing industries. Its clients include over 50% of the FORTUNE 100® and are some of the largest companies in the industries served. RightShore delivery centers strategically located in India, North America, China and Mexico with over 8,954 associates working together to Exceed Expectations® of our clients.

#### **For Further Information Contact:**

Mr. Jim Reynolds  
Global CFO and CAO

Contact: 098-23904286 (M)

Mr. R. Vijay Kumar  
CFO, India

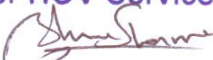
Contact: 044-42858062

Mr. Shekhar Singh Batham  
Manager – Investor Relations

Contact: 022-27812234 Ext: 316

Mobile: 098-69587949

**For HOV Services Limited**

  
**Bhuvanesh Sharma**  
Company Secretary

