



**HOV Services**  
Exceed Expectations

# HOV Services Limited

**Regd. Office:** 3rd Floor, Sharada Arcade, Pune Satara Road, Bibwewadi, Pune - 411037.

## Consolidated Financial Results for the Quarter And Nine Months Ended on December 31, 2009

(Rs. In Lacs, except per share data)

Sr.	Particulars	Quarter ended December 31,		Nine Months ended December 31,		Year ended March 31,
		2009 Un-Audited	2008 Un-Audited	2009 Un-Audited	2008 Un-Audited	2009 Audited
1.	<b>Income</b>					
	(a) Income from Operations	21,829.19	23,469.97	66,404.20	67,077.33	89,707.20
	(b) Other Operating Income - Foreign Exchange Gain (Net)	-	116.19	-	245.56	-
		<b>21,829.19</b>	<b>23,586.16</b>	<b>66,404.20</b>	<b>67,322.89</b>	<b>89,707.20</b>
2.	<b>Expenditure</b>					
	(a) Employees cost	12,022.91	11,519.34	35,716.38	33,237.85	45,188.34
	(b) Depreciation	722.19	518.16	1,966.17	1,528.46	2,365.28
	(c) Other expenditure	6,949.69	8,906.88	21,826.66	25,906.24	32,452.03
	(d) Foreign Exchange Loss (Net)	172.87	-	495.03	59.77	302.43
	<b>Total</b>	<b>19,867.66</b>	<b>20,944.38</b>	<b>60,004.24</b>	<b>60,732.32</b>	<b>80,308.08</b>
3.	Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	1,961.53	2,641.78	6,399.96	6,590.57	9,399.12
4.	Other Income	53.27	10.45	126.34	113.08	217.15
5.	<b>Profit before Interest &amp; Exceptional Items (3+4)</b>	<b>2,014.80</b>	<b>2,652.23</b>	<b>6,526.30</b>	<b>6,703.65</b>	<b>9,616.27</b>
6.	Interest	852.30	1,335.79	2,709.05	3,541.30	4,447.77
7.	<b>Profit after Interest but before Exceptional Items (5-6)</b>	<b>1,162.50</b>	<b>1,316.44</b>	<b>3,817.25</b>	<b>3,162.35</b>	<b>5,168.50</b>
8.	MTM Losses/(gains) on Derivative Contracts	(62.23)	-	(248.38)	-	503.93
9.	<b>Profit after Exceptional Items(7-8)</b>	<b>1,224.73</b>	<b>1,316.44</b>	<b>4,065.63</b>	<b>3,162.35</b>	<b>4,664.57</b>
10.	Tax expense	78.85	136.17	377.50	375.43	29.22
11.	<b>Net Profit (+)/Loss(-) from Ordinary Activities after tax &amp; Before Minority Interest (9-10)</b>	<b>1,145.88</b>	<b>1,180.27</b>	<b>3,688.13</b>	<b>2,786.92</b>	<b>4,635.35</b>
12.	Minority Interest	(48.41)	(10.53)	(29.20)	76.73	(3.36)
13.	<b>Net Profit (+)/Loss(-) for the period (11-12)</b>	<b>1,194.29</b>	<b>1,190.80</b>	<b>3,717.33</b>	<b>2,710.19</b>	<b>4,638.71</b>
14.	Paid-up equity share capital (Face Value Rs.10 each)	1,249.10	1,255.40	1,249.10	1,255.40	1,251.10
15.	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	-	18,959.35
16.	Earnings Per Share (EPS)					
	(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)	9.56	9.49	29.76	21.59	36.96
	(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)	9.56	9.49	29.76	21.59	36.96
17.	Public shareholding					
	- Number of shares	5,543,091	5,606,114	5,543,091	5,606,114	5,563,091
	- Percentage of shareholding	44.38	44.66	44.38	44.66	44.47
18.	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	6,947,931	6,947,931	6,947,931	6,947,931	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	100.00
	- Percentage of shares (as a % of the total share capital of the company)	<b>55.62</b>	<b>55.34</b>	<b>55.62</b>	<b>55.34</b>	<b>55.53</b>

### Notes:

- a) The consolidated results of HOV Services Limited (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's quarter have been reviewed 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 January 28, 2010.
- Status of Investor Complaints for the quarter ended December 31, 2009: Complaints pending at the beginning of the quarter - Nil; Complaints received during the quarter - Nil; Complaints disposed off during the quarter - Nil; 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 Accounting Standard 17 on "Segment Reporting" issued by The Institute of Chartered Accountants' of India.
- Pursuant to the approval of the Board of Directors vide meeting held on January 13, 2009, the Company has bought back 63,023 shares up to December 31, 2009 through open market transactions for an aggregate amount of Rs. 18.95 Lakhs.
- The Board of Directors of the Company approved actions of its wholly owned subsidiary, HOV Services, LLC entering into a Material Transaction in order to focus on end-to-end high growth and margin services, improve operational efficiency and streamline decision making process by selling 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 (TRAC) and SAM Holdings, LLC (SAM), to Rustic Canyon, LLC, an Associate, (which already has 70% ownership interest in TRAC & SAM) for \$12 million USD in cash (approximately Rs. 5,563 Lakhs). This Material Transaction is expected to close in the fourth quarter of fiscal year 2009-10 and the potential loss will be recorded as an exceptional item.
- The Board of Directors at the above meeting has declared interim dividend of Rs. 2/- per fully paid up equity share of Rs. 10/- each for the financial year 2009-10 and record date for that purpose is February 3, 2010.
- Previous period's/year's figures are regrouped/rearranged wherever considered necessary to conform to current period's/year's presentation.

**Place :** Mumbai  
**Date :** January 28, 2010

**For HOV Services Limited**  
Parvinder S Chadha  
Chairman & Executive Director