

# HOVS

## HOV Services Limited

(CIN:L72200PN1989PLC014448)

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

### Audited Results for the Quarter and the Financial Year Ended on March 31, 2015

PART I

(Rs. In Lacs, except per share data)

Consolidated		Particulars	Standalone				
Year Ended March 31	Fifteen Months Period Ended March 31		Quarter Ended March 31	Quarter Ended December 31	Quarter Ended March 31	Year Ended March 31	Fifteen Months Period Ended March 31
2015	2014		2015	2014	2014	2015	2014
Audited	Audited		Audited*	Unaudited	Audited*	Audited	Audited
1,640.44	1,732.62	<b>1 Income from operations</b>	290.94	322.89	325.44	1,254.46	1,592.38
57.08	31.44	(a) Income from operations	-	8.35	-	9.51	47.60
<b>1,697.52</b>	<b>1,764.06</b>	(b) Other operating income	<b>290.94</b>	<b>331.24</b>	<b>325.44</b>	<b>1,263.97</b>	<b>1,639.98</b>
-	-	<b>Total income from operations (Net)</b>					
1,042.09	1,285.04	<b>2 Expenses</b>	-	-	-	-	-
101.29	97.45	(a) Cost of materials	274.16	249.60	255.16	1,006.39	1,221.74
779.00	699.20	(b) Employee benefits expense	9.37	9.51	8.72	43.69	40.34
<b>1,922.38</b>	<b>2,081.69</b>	(c) Depreciation and amortisation expense	53.90	87.70	115.83	333.26	514.62
(224.86)	(317.63)	(d) Other expenses	-	-	-	-	(197.45)
-	-	(e) Reimbursement of corporate charges	<b>337.43</b>	<b>346.81</b>	<b>379.71</b>	<b>1,383.34</b>	<b>1,579.25</b>
<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 Twelve Months Financial Year Ended on March 31, 2015

Particulars	Quarter Ended March 31	Quarter Ended December 31	Quarter Ended March 31	Year Ended March 31	Fifteen Months Period Ended March 31
	2015	2014	2014	2015	2014
	Audited	Unaudited	Unaudited	Audited	Audited
<b>A PARTICULARS OF SHAREHOLDING</b>					
<b>Public shareholding</b>					
- Number of shares	6,295,643	6,313,443	6,310,443	6,295,643	6,310,443
- 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	6,218,379	6,189,079	6,189,079	6,218,379	6,189,079
- 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					

Segment wise Revenue, Results and Capital Employed - Consolidated		
Particulars	For the Year Ended March 31, 2015	Fifteen Months Period Ended 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>

Notes:

- 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.
- Other Income includes net rental income/Loss as follows :

	Quarter Ended 31-Mar-15	Quarter Ended 31-Dec-14	Quarter Ended 31-Mar-14	Year Ended 31-Mar-15	15 Months Ended 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
- \*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.

- 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.
- 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.
- 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.
- 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.

Consolidated		Statement of Assets and Liabilities		Standalone	
As at March 31, 2015	As at March 31, 2014	Particulars		As at March 31, 2015	As at March 31, 2014
Audited	Audited			Audited	Audited
		<b>A</b>	<b>EQUITIES AND LIABILITIES</b>		
		<b>1</b>	<b>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>
<b>4.32</b>	<b>-</b>	<b>2</b>	<b>Share Application Money</b>	4.32	-
<b>-</b>	<b>47.04</b>	<b>3</b>	<b>Minority interest</b>	-	-
681.42	741.17	<b>4</b>	<b>Non-current liabilities</b>		
-	-		a) Long-term borrowings	678.66	737.31
<b>681.42</b>	<b>741.17</b>		b) Deferred tax liabilities (net)	-	11.41
			<b>Sub total Non-current liabilities</b>	<b>678.66</b>	<b>748.72</b>
517.92	229.32	<b>5</b>	<b>Current liabilities</b>		
127.23	136.74		a) Short-term borrowings	-	-
592.85	385.12		b) Trade Payables	107.92	115.33
81.57	82.86		c) Other current liabilities	118.82	102.58
<b>1,319.57</b>	<b>834.05</b>		d) Short-term provisions	81.57	82.86
<b>59,814.69</b>	<b>18,453.20</b>		<b>Sub total Current liabilities</b>	<b>308.31</b>	<b>300.77</b>
			<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>9,519.93</b>	<b>9,605.52</b>
		<b>B</b>	<b>ASSETS</b>		
		<b>1</b>	<b>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</b>	<b>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

Sd/  
**Sunil Rajadhyaksha**  
Chairman & Executive Director

Place : Mumbai  
Date : May 22, 2015