

## HOV SERVICES LIMITED

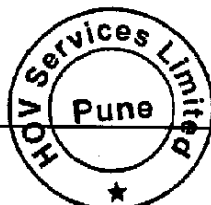
## Consolidated Financial Results for the quarter and nine months ended on December 31, 2010

Particulars	Quarter ended December 31,		Nine Months ended December 31,		Year ended March 31,
	Refer Note 3		Refer Note 3		
	2010	2009	2010	2009	2010
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1. Income</b>					
(a) Income from Operations	17,361.90	21,829.19	54,374.25	66,404.20	84,839.35
(b) Other Operating Income - Foreign Exchange Gain (Net)	-	-	76.83	-	-
	<b>17,361.90</b>	<b>21,829.19</b>	<b>54,451.08</b>	<b>66,404.20</b>	<b>84,839.35</b>
<b>2. Expenditure</b>					
(a) Employees cost	8,561.81	12,022.91	26,964.83	35,716.38	44,745.99
(b) Depreciation	782.26	722.19	2,102.92	1,966.17	2,521.65
(c) Other expenditure	5,881.05	6,887.46	18,181.79	21,578.28	27,545.26
(d) Foreign Exchange Loss (Net)	19.38	172.87	-	495.03	509.46
(e) Total	<b>15,244.50</b>	<b>19,805.43</b>	<b>47,249.54</b>	<b>59,755.86</b>	<b>75,322.36</b>
3. Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	2,117.40	2,023.76	7,201.54	6,648.34	9,516.99
4. Other Income	41.40	53.27	97.23	126.34	147.43
5. Profit before Interest & Exceptional Items (3+4)	<b>2,158.80</b>	<b>2,077.03</b>	<b>7,298.77</b>	<b>6,774.68</b>	<b>9,664.42</b>
6. Interest	759.44	852.30	2,127.94	2,709.05	3,362.52
7. Profit before Tax, Minority Interest and Exceptional Item	<b>1,399.36</b>	<b>1,224.73</b>	<b>5,170.83</b>	<b>4,065.63</b>	<b>6,301.90</b>
8. Tax Expense / (Benefit)	59.87	78.85	197.63	377.50	638.78
9. Profit after Tax before Exceptional Item and Minority Interest	<b>1,339.49</b>	<b>1,145.88</b>	<b>4,973.20</b>	<b>3,688.13</b>	<b>5,663.12</b>
10. Exceptional Item	-	-	-	-	13,276.35
11. Net Profit/ (Loss) after Tax, Exception Item, and before Minority Interest	<b>1,339.49</b>	<b>1,145.88</b>	<b>4,973.20</b>	<b>3,688.13</b>	<b>(7,613.23)</b>
12. Minority Interest	-	(48.41)	-	(29.20)	(29.19)
13. Net Profit/(Loss)	<b>1,339.49</b>	<b>1,194.29</b>	<b>4,973.20</b>	<b>3,717.33</b>	<b>(7,584.04)</b>
14. Paid-up equity share capital (Face Value Rs.10 each)	1,249.10	1,249.10	1,249.10	1,249.10	1,249.10
15. Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year	-	-	-	-	7,262.24
16. Earnings Per Share (EPS) before Exceptional items					
Basic & Diluted EPS (not annualised)	10.72	9.56	39.81	29.76	45.57
17. Earnings Per Share (EPS) after Exceptional items					
Basic & Diluted EPS (not annualised)	10.72	9.56	39.81	29.76	(60.72)
18. Earnings Per Share (EPS) considering 10,467,532 class A Preferred units, Basic & Diluted EPS (not annualised)	5.83	5.20	21.66	16.19	(33.03)
19. Public shareholding					
- Number of shares	6,421,943	5,543,091	6,421,943	5,543,091	5,517,669
- Percentage of shareholding	51.41	44.38	51.41	44.38	44.17
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	6,069,079	6,947,931	6,069,079	6,947,931	6,973,353
- 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)	48.59	55.62	48.59	55.62	55.83

## 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 prescribed by Companies (Accounting Standards) Rules, 2006. 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 27, 2011.
- Status of Investor Complaints for the quarter ended December 31, 2010: Complaints pending at the beginning of the quarter - Nil; Complaints received during the quarter - 2; Complaints disposed off during the quarter - 2; Complaints at the end of the quarter - Nil.
- The figures of the current quarter / nine months are not comparable since the Group had sold its 'Accounts Receivable Management' activities effective January 1, 2010.
- 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' prescribed by Companies (Accounting Standards) Rules, 2006.
- The Company paid two interim dividends of Rs. 2/- each per fully paid up equity share of Rs. 10/- each on August 27, 2010 and on November 18, 2010 respectively amounting to Rs. 582.62 lacs including dividend distribution tax of Rs. 82.98 lacs. The Board of Directors' at above meeting have approved 3rd Interim Dividend of Rs. 2/- per equity share of Rs. 10/- each.
- Company's standalone Turnover is Rs. 632.30 lakhs; Profit before Tax is Rs.410.99 lakhs and Profit after Tax is Rs. 411.06 lakhs for the quarter ended December 31, 2010.
- Pursuant to Clause 41 of the Listing Agreement, the Company has published Audited/Reviewed Consolidated financial results. The Audited/Reviewed 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: Mumbai  
Date: January 27, 2011



For HOV Services Limited

*[Signature]*

Parvinder S Chadha  
Chairman & Executive Director

<b>HOV SERVICES LIMITED</b>					
<b>Standalone Financial Results for the quarter and nine months ended on December 31, 2010</b>					
(Rs. in Lacs, except per share data)					
Particulars	Quarter ended December 31,		Nine Months ended December 31,		Year ended March 31,
	2010	2009	2010	2009	2010
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1 Income</b>					
(a) Income from Operations	532.30	114.22	1,795.08	346.86	749.12
	<b>632.30</b>	<b>114.22</b>	<b>1,795.08</b>	<b>346.86</b>	<b>749.12</b>
<b>2 Expenditure</b>					
(a) Employees cost	146.14	74.51	395.23	250.92	321.35
(b) Depreciation	9.17	8.77	27.38	26.65	35.12
(c) Other expenditure	59.18	28.60	165.09	113.16	162.95
(d) Rent	22.75	10.42	68.14	31.27	41.86
(e) Foreign Exchange Variation (Net)	9.09	5.79	21.72	15.92	30.35
(f) Reimbursement of Corporate Charges from Subsidiary	(24.37)	(39.23)	(73.84)	(120.47)	(159.04)
(g) Total	<b>221.96</b>	<b>88.86</b>	<b>603.72</b>	<b>317.45</b>	<b>432.59</b>
<b>3 Profit / (Loss) from Operations before Other Income, Interest &amp; Exceptional Items (1-2)</b>	410.34	25.36	1,191.36	29.41	316.53
<b>4 Other Income</b>	0.65	11.90	21.05	23.69	29.33
<b>5 Profit / (Loss) before Interest &amp; Exceptional Items (3+4)</b>	410.99	37.26	1,212.41	53.10	345.56
<b>6 Interest</b>	-	-	-	-	-
<b>7 Profit / (Loss) after Interest but before Exceptional Items (5-6)</b>	410.99	37.26	1,212.41	53.10	345.56
<b>8 Tax expense/(Benefit)</b>	(0.07)	(2.12)	2.34	(0.31)	53.21
<b>9 Net Profit/(Loss) from Ordinary Activities after tax (7-8)</b>	<b>411.06</b>	<b>39.38</b>	<b>1,210.07</b>	<b>53.41</b>	<b>292.35</b>
<b>10 Paid-up equity share capital (Face Value Rs.10 each)</b>	1,249.10	1,249.10	1,249.10	1,249.10	1,249.10
<b>11 Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year</b>	-	-	-	-	6,419.50
<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)	3.29	0.32	9.69	0.43	2.34
(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)	3.29	0.32	9.69	0.43	2.34
<b>13 Public shareholding</b>					
- Number of shares	6,421,943	5,543,091	6,421,943	5,543,091	5,517,669
- Percentage of shareholding	51.41	44.38	51.41	44.38	44.17
<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	6,069,079	6,947,931	6,069,079	6,947,931	6,973,353
- 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)	48.59	55.62	48.59	55.62	55.83
<b>Notes:</b>					
1	The above results were reviewed by the Audit Committee and approved at the Board Meeting held on January 27, 2011. Results for the current and previous year's quarter have been reviewed by the Auditors of the Company.				
2	Status of Investor Complaints for the quarter ended December 31, 2010: Complaints pending at the beginning of the quarter - Nil; Complaints received during the quarter -2; Complaints disposed off during the quarter - 2; 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 Accounting Standard 17 on "Segment Reporting" prescribed by Companies (Accounting Standards) Rules, 2006.				
4	The Company paid two interim dividends of Rs. 2/- each per fully paid up equity share of Rs. 10/- each on August 27, 2010 and on November 18, 2010 respectively amounting to Rs. 582.62 lacs including dividend distribution tax of Rs. 82.98 lacs. The Board of Directors' at above meeting have approved 3rd Interim Dividend of Rs. 2/- per equity share of Rs. 10/- each.				
5	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 27, 2011	For HOV Services Limited  <b>Parvinder S Chadha</b> Chairman & Executive Director				

