



# HOV Services Limited

CIN: L72200PN1989PLC014448

3rd Floor, Sharda Arcade, Pune Satara Road, Bibwewadi, Pune-411037, India,

Tel: 91 20 24231623, Fax: 91 20 24221470

investor.relations@hovsltd.com | www.hovsltd.com

## **27<sup>th</sup> Annual General Meeting – July 22, 2015**

### **NOTICE OF THE 27TH ANNUAL GENERAL MEETING, BOOK CLOSURE AND E-VOTING INFORMATION**

Notice is hereby given that the 27<sup>th</sup> Annual General Meeting (27<sup>th</sup> AGM) of the Company will be held on Wednesday, July 22, 2015 at 10:30 A.M. at Le Meridien, Raja Bahadur Mill Road, Pune-411001, Maharashtra to transact the Business as set out in the Notice of the AGM.

Electronic copies of the Notice of the 27<sup>th</sup> AGM and Annual Report for the financial year 2014-15 have been sent to all the Shareholders whose email IDs are registered with the Company's Registrar & Share Transfer Agents, Karvy Computershare Private Limited (Karvy)/ Depository Participant(s). Physical copies of the Notice of the 27<sup>th</sup> AGM and Annual Report for FY 2014-15 have been sent to all other Shareholders at their registered address in the permitted mode.

The Register of Members and the Share Transfer Books of the Company will remain closed from July 16, 2015 to July 22, 2015, both days inclusive for the purpose of the 27<sup>th</sup> AGM of the Company.

As per Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Clause 35B of the Listing Agreement, the Company is providing to its Shareholders the facility to cast their vote by electronic means on all the resolutions set forth in the Notice. The details as required pursuant to the provisions of the Companies Act, 2013 and Rules are given here under:

(i)	Date of completion of sending of Notices	June 26, 2015
(ii)	Date and time of commencement of voting by electronic means	Saturday, July 18, 2015 at 9.00 AM IST
(iii)	Date and time of end of voting by electronic means	Tuesday, July 21, 2015 at 5.00 PM IST
(iv)	Cut-off date	July 15, 2015
(v)	Voting through electronic means shall not be allowed beyond	Tuesday, July 21, 2015 at 5.00 PM IST
(vi)	The Notice of 27 <sup>th</sup> AGM and the Annual Report for FY 2014-15 are available on the Company's website and on KARVY's website	www.hovsltd.com <a href="https://evoting.karvy.com">https://evoting.karvy.com</a>
(vii)	Contact details of the person responsible to address the grievances connected with the voting by electronic means	Mr. Mohd Mohsin Uddin Manager Address: Karvy Computershare Pvt. Ltd., Karvy Selenium, Tower B, Plot number 31 & 32, Financial District Gachibowli, Hyderabad 500 032 Email id: <a href="mailto:evoting@karvy.com">evoting@karvy.com</a> Telephone No. 040 - 67162222

A person whose name appears in the Register of Members/ Beneficial Owners as on the cut-off date i.e. July 15, 2015 only shall be entitled to avail the facility of e-voting as well as voting in the 27<sup>th</sup> AGM.

The members may attend the meeting even after casting their votes by e-voting but shall not be entitled to cast their votes again.

Any person who becomes member after the dispatch of the Notice of the 27<sup>th</sup> AGM and holding share as on the cutoff date i.e. July 15, 2015 may obtain the User ID and password by sending a request at [evoting@karvy.com](mailto:evoting@karvy.com). The procedure for obtaining User ID and password is also provided in the Notice of the 27<sup>th</sup> AGM which is available on the Company's website and Karvy's website.

The facility for voting at the 27<sup>th</sup> AGM shall be made available by way of ballot and members attending the meeting who have not cast their vote by e-voting shall be able to vote at the 27<sup>th</sup> AGM by ballot.

For electronic voting instructions, Shareholders may go through the instructions sent with the Notice of 27<sup>th</sup> AGM and in case of any queries/grievances connected with electronic voting, Shareholders may refer the Frequently Asked Questions (FAQs) and e-voting User Manual for Shareholders available at the download section of <https://evoting.karvy.com> or contact: Mr. Mohd Mohsin Uddin.

By order of the Board

Bhuvanesh Sharma

VP Corporate Affairs &  
Company Secretary

Place : Pune

Date : June 26, 2015



## एचओव्ही सर्व्हिसेस लिमिटेड

CIN: L72200PN1989PLC014448

3 रा मजला, शारदा आर्केड, पुणे सातारा रोड, बिबवेवाडी, पुणे - 411 037, भारत  
दूरध्वनी : 91 20 24231623, फॅक्स : 91 20 24221470  
investor.relations@hovsltd.com | www.hovsltd.com

### 27वी वार्षिक सर्वसाधारण सभा - 22 जुलै, 2015

#### 27वी वार्षिक सर्वसाधारण सभा, पुस्तक समापन आणि ई-मतदान माहितीची सूचना

ह्याद्वारे सूचना देण्यात येते की कंपनीची 27वी वार्षिक सर्वसाधारण सभा (27वी एजीएम) बुधवार दि. 22 जुलै 2015 रोजी सकाळी 10:30 वाजता ले मेरिडियन, राजा बहादुर मिल रोड, पुणे - 411001, महाराष्ट्र येथे एजीएमच्या सूचनेत दिलेल्या कामकाजासाठी आयोजित करण्यात येईल.

27व्या एजीएमची सूचना आणि 2014-15 ह्या कालावधीचा वार्षिक अहवालाच्या इलेक्ट्रॉनिक प्रती, ज्यांचे ईमेल आयडीज् कंपनीच्या निबंधकांकडे आणि शेअर ट्रान्सफर एजंट्स, कार्वी कंप्यूटरशेअर प्रायव्हेट लिमिटेड (कार्वी)/डिपॉझिटरी पार्टिसिपंट(स्) ह्यांच्याकडे नोंदणीकृत आहेत त्यांना पाठविण्यात आल्या आहेत. 27व्या एजीएमची सूचना आणि 2014-15 ह्या कालावधीचा वार्षिक अहवालाच्या भौतिक प्रती, इतर सर्व भागधारकांना त्यांच्या नोंदणीकृत पत्त्यावर आणि परवानगी असलेल्या पद्धतीने पाठविण्यात आलेल्या आहेत.

कंपनीच्या सदस्यांचे नोंदणीपुस्तक आणि भाग हस्तांतरण पुस्तके 16 जुलै, 2015 ते 22 जुलै, 2015 ह्या कालावधीत, दोन्ही दिवस समाविष्ट, कंपनीच्या 27व्या एजीएमच्या हेतूसाठी समापित म्हणजे बंद राहतील.

कंपनी अधिनियम, 2013 चे कलम 108 बरोबर वाचला जाणारा दुरुस्त करण्यात आलेला कंपनीज (व्यवस्थापन आणि प्रशासन) नियम, 2014 चा नियम 20 आणि लिस्टिंग अॅग्रीमेंटचे कलम 35बी यांच्या अनुसार कंपनी या सूचनेमध्ये नमूद केलेल्या सर्व ठरावांवर इलेक्ट्रॉनिक पद्धतीने मतदान करता यावे, यासाठी आपल्या भागधारकांना सुविधा पुरवित आहे. कंपनी अधिनियम, 2013 आणि नियम ह्या अन्वये आवश्यक असल्यानुसार खालीलप्रमाणे तपशील देण्यात येत आहे :

1	सूचना पाठविणे पूर्ण करण्याचा दिनांक	26 जून, 2015
2	इलेक्ट्रॉनिक पद्धतीने मतदान सुरु होण्याची दिनांक आणि वेळ	शनिवार 18 जुलै, 2015 सकाळी 9:00 भाप्रवे
3	इलेक्ट्रॉनिक पद्धतीने मतदान बंद होईल दिनांक आणि वेळ	मंगळवार 21 जुलै, 2015 सायं. 5:00 भाप्रवे
4	निर्णायक दिनांक	15 जुलै, 2015
5	इलेक्ट्रॉनिक पद्धतीने मतदान ह्यावेळनंतर उपलब्ध नसेल	मंगळवार 21 जुलै 2015 सायं. 5:00 भाप्रवे
6	27व्या एजीएम आणि 2014-15 ह्या कालावधीचा वार्षिक अहवालाच्या सूचना कंपनीच्या वेबसाईटवर आणि कार्वीच्या वेबसाईटवर उपलब्ध आहे	www.hovsltd.com https://evoting.karvy.com
7	इलेक्ट्रॉनिक पद्धतीच्या मतदानाशी संबंधित तक्रारींची निवारण करण्यासाठी जबाबदार असलेल्या व्यक्तीचा संपर्क तपशील	श्री. मोहम्मद मोहसिन उद्दिन व्यवस्थापक पत्ता : कार्वी कंप्यूटरशेअर प्रा. लि., कार्वी सेलेनियम, टॉवर बी, प्लॉट क्र.31 व 32, फायनान्शियल डिस्ट्रिक्ट, गाचीबोवली, हैद्राबाद - 500 032 ईमेल आयडी: evoting@karvy.com दूरध्वनी क्र. 040 - 67162222

ज्या व्यक्तींची नावे निर्णायक तारखेस, म्हणजेच 15 जुलै, 2015 रोजी मेम्बर्स/बेनिफिशल ओनर्स यांच्या रजिस्टरमध्ये दिसून येतील अशाच व्यक्ती 27व्या एजीएमच्या वेळेस होणाऱ्या मतदानात मतदान करण्यास पात्र असतील.

ई-मतदान केल्यानंतर देखिल सभासद सभेमध्ये उपस्थित राहू शकतात, परंतु त्यांना पुन्हा मतदान करण्याचा अधिकार नसेल.

27व्या एजीएमच्या सूचनेचे वितरण झाल्यानंतर ज्या कोणी व्यक्ती सभासद झाल्या असतील आणि निर्णायक तारखेस म्हणजेच 15 जुलै, 2015 रोजी समभाग धारण करित असतील, अशा व्यक्ती evoting@karvy.com वर विनंती पाठवून युझर आयडी आणि पासवर्ड मिळवू शकतात. कंपनीची वेबसाईट आणि कार्वीची वेबसाईट यांच्यावर उपलब्ध असलेल्या 27व्या एजीएमच्या सूचनेमध्ये देखिल युझर आयडी आणि पासवर्ड मिळविण्याची पद्धती देण्यात आलेली आहे.

ज्या सभासदांनी ई-मतदान पद्धतीद्वारे मतदान केलेले नाही अश्या सभासदांना 27व्या एजीएममध्ये मतदान करता यावे यासाठी 27व्या एजीएममध्ये उपस्थित असल्यास मतदान पत्रिकेद्वारे मतदान करण्याची सुविधा पुरविण्यात येईल.

भागधारकांनी 27व्या एजीएमच्या सूचनेसोबत पाठविण्यात आलेल्या इलेक्ट्रॉन मतदान सूचना पाह्यात आणि इलेक्ट्रॉनिक मतदानाशी संबंधित काही प्रश्न/तक्रारी असल्यास भागधारक https://evoting.karvy.com वरील डाऊनलोड विभागात उपलब्ध असलेले नेहमी विचारले जाणारे प्रश्न (एफएक्यूज) आणि ई-व्होटिंग मॅन्युअल पाहू शकतात किंवा श्री. मोहम्मद मोहसिन उद्दिन ह्यांच्याशी संपर्क साधू शकतात.

संचालक मंडळाच्या आदेशाने  
भुवनेश शर्मा  
व्हीपी कॉर्पोरेट अफेअर्स  
आणि कंपनी सेक्रेटरी

स्थळ: पुणे  
दिनांक: 26 जून, 2015



**HOV SERVICES LIMITED**

27<sup>th</sup> ANNUAL REPORT 2014 - 15

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**CORPORATE INFORMATION**

Registered Office & Head Office	3rd Floor, Sharda Arcade, Pune Satara Road, Bibwewadi, Pune - 411 037, Maharashtra Tel: (91 20) - 24231623; Fax: (91 20) - 24221470
Registrar & Share Transfer Agent	Karvy Computershare Pvt Ltd., Karvy Selenium Tower B, Plot number 31 & 32, Financial District, Gachibowli, Hyderabad – 500 032, Telangana Tel: (91 40) - 23420815; Fax: (91 40) – 23420814
Statutory Auditors	Lodha & Co., Chartered Accountants, 6 Karim Chambers, 40, Ambalal Doshi Marg, Mumbai – 400 023, Maharashtra Tel: (91 22) - 2265 1140; Fax: (91 22) - 2269 1414
Secretarial Auditors	JDNASSA & Associates, 7/ 9, Karan Aniket, Level 4 & 5 Plot No. 37, Shri Varanasi Society, Behind Atul Nagar, Off Mumbai-Bangalore By-pass, Warje, Pune - 411 058, Maharashtra Tel: (91 20) - 2520 43 57 / 2520 43 59
Chief Financial Officer VP-Corporate Affairs & Company Secretary & Compliance Officer	Mr. Sriram Gopalan Iyengar Mr. Bhuvanesh Sharma <a href="mailto:investor.relations@hovsltd.com">investor.relations@hovsltd.com</a>

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**THE BOARD OF DIRECTORS**

Mr. Sunil Rajadhyaksha	<b>Chairman &amp; Executive Director</b>
Mr. Surinder Rametra	<b>Executive Director</b>
Mr. Parvinder S Chadha	<b>Executive Director</b>
Mr. B R Gupta	<b>Independent Director</b>
Mr. Harish Bhasin	<b>Independent Director</b>
Mrs. Lakshmi Kumar	<b>Independent Director</b>

**THE EXECUTIVE MANAGEMENT**

Mr. James Reynolds	<b>Chief Financial Officer, Global</b>
Mr. Sriram Gopalan Iyengar	<b>Chief Financial Officer</b>
Mr. Bhuvanesh Sharma	<b>VP-Corporate Affairs &amp; Company Secretary &amp; Compliance Officer</b>

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**COMMITTEES OF THE BOARD****AUDIT COMMITTEE**

<b>Name</b>	<b>Designation/Category</b>
Mr. B R Gupta	Chairman (Independent Director)
Mr. Harish Bhasin	Member (Independent Director)
Mr. Surinder Rametra	Member (Executive Director)

**NOMINATION & REMUNERATION COMMITTEE**

<b>Name</b>	<b>Designation/Category</b>
Mr. Harish Bhasin	Chairman (Independent Director)
Mr. B. R. Gupta	Member (Independent Director)
Mrs. Lakshmi Kumar	Member (Independent Director)
Mr. Sunil Rajadhyaksha	Member (Executive Director)

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

<b>Name</b>	<b>Designation/Category</b>
Mr. B. R. Gupta	Chairman (Independent Director)
Mr. Harish Bhasin	Member (Independent Director)
Mr. Sunil Rajadhyaksha	Member (Executive Director)

**Chairman Message:**

*Dear Shareholder,*

*We have come a long way since our beginnings in 1989 with your support. We made strides in both of our investee companies after laying foundation for several years:*

- *This past year, SourceHOV Holdings Inc., a company in which our wholly owned subsidiary in the United States, HOVS LLC holds investment, completed merger with BancTec Group LLC. The combined company is approaching \$1 billion in revenues and is a one of the global leaders in financial transaction solutions and services, healthcare services and administration of claims. SourceHOV with direct sales and operations in 14 countries, provides solutions and services to over 3,000 customers in 55 countries. The company with over 15,000 dedicated employees is strategically positioned to leverage its global presence, multi industry solutions and services to grow in Americas, Europe, Asia, Pacific and Middle East and North Africa.*
- *Our company, HOV Environment Solutions Private Limited, has been involved in building artificial reefs to reduce erosion of beaches where many communities across the world live and earn their livelihood from the oceans. Our company, in India has successfully completed building of breakwater in Cochin, Kerala and are building a multipurpose reef at Mirya beach, Ratnagiri, Maharashtra. The company specializes in using highly evolved 3D mathematical models to map the floor of oceans near communities living on the beaches and use underwater structures to shape the ocean floor with geotextile fabrics, sand and tubes. Such artificial reefs not only help reverse the devastating erosion effect having on the lives of people in these communities, they also enable marine life to blossom and speed up eventual transition of artificial reefs to natural reefs.*

*My message will not be complete without recognizing our employees, their hard work and share their excitement and commitment to shape the future of our Company for our combined benefit.*

*On behalf of Company's Board of Directors, I would like to acknowledge and thank each and every one of our HOVS family member for their dedication to work, relentless efforts and support.*

*Our sincerest thanks to each and every Shareholder for your continued support to management to accomplish new milestones and enhancing shareholders value.*

*We look forward for the continued support of our shareholders'.*



**Sunil Rajadhyaksha**  
Chairman & Executive Director

## **Directors' Report**

Your Directors are pleased to present the Company's Twenty-Seventh Annual Report on the Business and Operations of HOV Services Limited (the "Company" or "HOVS") together with the Audited Financial Statements for the financial year ended March 31, 2015.

The financial statements are prepared for the year comprising of the 12 (Twelve) months period ended on March 31, 2015 and are not comparable to the financial statements of previous year comprising of 15 (Fifteen) months ended March 31, 2014, as the financial year was changed from calendar year to financial year as per the Companies Act, 2013.

### **FINANCIAL RESULTS AND OPERATIONS:**

Particulars	Rs. In Million			
	Consolidated		Standalone	
	Twelve months period ended on March 31, 2015	Fifteen months period ended on March 31, 2014	Twelve months period ended on March 31, 2015	Fifteen months period ended on March 31, 2014
<b>INCOME</b>				
Income from Operation	164.04	173.26	125.45	159.24
Other Income	5.71	10.14	8.17	12.74
	<b>169.75</b>	<b>183.40</b>	<b>133.62</b>	<b>171.98</b>
<b>EXPENDITURE</b>				
Staff Cost	104.21	128.50	100.64	122.17
General and Administrative Expenses	77.90	69.92	33.33	31.72
	<b>182.11</b>	<b>198.42</b>	<b>133.97</b>	<b>153.89</b>
<b>Profit / (Loss) before Interest, Depreciation &amp; Tax</b>	<b>(12.36)</b>	<b>(15.02)</b>	<b>(0.35)</b>	<b>18.09</b>
Less: Interest	4.11	1.60	-	-
Less: Depreciation	10.13	9.74	4.37	4.03
<b>Profit / (Loss) before Tax</b>	<b>(26.6)</b>	<b>(26.36)</b>	<b>(4.72)</b>	<b>14.06</b>
Tax pertaining to earlier years	-	0.04	-	0.04
Less: Provisions for taxes	-	-	-	-
Current Tax	-	6.23	-	6.23
Deferred Tax	(1.79)	(1.94)	(1.79)	(0.74)
<b>Profit / (Loss) after Tax</b>	<b>(24.81)</b>	<b>(30.69)</b>	<b>(2.93)</b>	<b>8.53</b>
Less: Minority Interest	4.70	(6.41)	-	-
<b>Profit/(Loss) after minority interest</b>	<b>(20.11)</b>	<b>(24.28)</b>	<b>(2.93)</b>	<b>-</b>
Add: Share of Profit/(Loss) from an Associate	(1,533.11)	(464.50)	-	-
<b>Profit / (Loss) for the year/period</b>	<b>(1,553.22)</b>	<b>(488.78)</b>	<b>(2.93)</b>	<b>8.53</b>



**1. Results of Operations****Consolidated Financial Performance**

- Consolidated total Income for the current year was Rs. 169.75 million.
- EBIDT for the current year was Rs. (12.36) million.
- Net Profit/ (Loss) for the current year was Rs. (1553.22) million.
- The basic and diluted Earnings per share (EPS) is Rs. (124.20) for the current year.

**Standalone Financial Performance**

- Total Income for the current year was Rs. 133.62 million.
- EBIDT for the current year was Rs. (0.35) million.
- Net Profit/(Loss) for the current year was Rs. (2.93) million.
- The basic and diluted Earnings Per Share (EPS) is Rs. (0.23) for the current year under reporting.

**2. Appropriations****(i) Dividend:**

Your Company intends to conserve available resources to invest in the growth of the business and pursue strategic growth opportunities and also in view of losses during the financial year 2014-15 the Board of Directors, accordingly did not recommend any dividend for the year.

**(ii) Transfer to Reserve:**

No amount was transferred to Reserve during the financial year ended on March 31, 2015.

**3. Subsidiary companies and Associate****A. The Company has following subsidiary companies:**

- i) HOVS LLC incorporated in Delaware State under the laws of Unites States of America;
- ii) HOV Environment LLC incorporated in Nevada State under the laws of United States of America;
- iii) HOVS Holdings Limited incorporated under the Companies Ordinance of Hong Kong; and
- iv) HOV Environment Solutions Private Limited incorporated in Maharashtra under Indian Company Law.

**B. Associate**

SourceHOV Holdings Inc., in which HOVS LLC, wholly owned subsidiary of the Company, has 44.8% stake holding.

A report on the performance and financial position of Subsidiaries, Associate companies as per the Companies Act, 2013 is annexed to the financial statements.

**4. Significant developments****A) Merger transaction**

On November 4, 2014 the SourceHOV Holdings Inc. ("SourceHOV"), a company in which HOVS LLC, wholly owned US subsidiary, holds an investment, has completed the merger with BancTec Group LLC. The shareholders' approval was obtained through notice of postal ballot dated September 30, 2014. The result of postal ballot was declared on November 4, 2014 wherein the shareholders had approved with requisite majority. Post-merger the stake holding of HOVS LLC in SourceHOV has increased from 26.1% to 44.8% in the combined entity.

**B) Proposed sale transaction**

- i) The Board of Directors of the Company vide its notice of postal ballot dated September 30, 2014 conducted a postal ballot process for taking shareholders' approval seeking in-principle approval for sale of Company's investment in SourceHOV vide the notice of postal ballot dated September 30, 2014. The result of postal ballot was declared on November 4, 2014 wherein the shareholders had approved with requisite majority.
- ii) Certain group of shareholders had filed on November 3, 2014 a petition before Mumbai Bench of the Hon'ble Company Law Board (CP No. 101/397-398/CLB/MB/2014), against the three resolutions put before the shareholders vide the notice of postal ballot dated September 30, 2014. As part of the hearing process with the Mumbai Bench of the Hon'ble Company Law Board, all necessary documents including the valuation report and fairness report were submitted for due consideration by the Hon'ble Company Law Board.
- iii) The Hon'ble Company Law Board vide its order dated January 29, 2015 disposed-off the petition by permitting the objecting shareholders, on the request of objecting shareholders, to withdraw the petition. The Company had filed necessary disclosure regarding the outcome of the hearing with the Hon'ble Company Law Board vide its intimation dated February 19, 2015 to BSE Limited and National Stock Exchange of India Limited.
- iv) The proposed sale transaction did not consummate on account of the prevailing situation including shareholder litigation and transaction delays. The Company had immediately communicated to the shareholders vide intimations filed with the BSE Limited and National Stock Exchange of India Limited on April 20, 2015.

**5. ADR/GDR**

The shareholder's in their Annual General Meeting dated July 21, 2007 granted approval for proposed 15,000,000 of ADR/GDR issue. However, so far none of the underlying equity shares were issued by the Company.

**6. Share Capital of the Company**

During the financial year, the Company has allotted twice equity shares under ESOP Plan 2007 to its employee's on May 21, 2014 and on December 19, 2014 allotted 3,000 and 10,500 equity shares respectively. Consequently, after the allotment, the paid up share capital of the Company has gone up from 12,499,522 equity shares of Rs. 10/- each aggregating to Rs. 124,995,220/- to 12,514,022 equity shares of Rs. 10/- aggregating to Rs. 125,140,220/-