

# HOV SERVICES LIMITED

Unaudited Consolidated Financial Results for the quarter and six months ended on 30th September 2008

(Rs in Lacs)

Particulars	Three months ended		Six month ended		Previous accounting year ended
	30/09/2008	30/09/2007	30/09/2008	30/09/2007	31/03/2008
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1. Income</b>					
(a) Income from Operations	22,557.00	21,329.82	43,607.36	42,726.11	83351.10
(b) Other Operating Income	142.09	3,355.62	142.10	3,355.62	3,100.31
	22,699.09	24,685.44	43,749.46	46,081.73	86,451.41
<b>2. Expenditure</b>					
a. Employees cost	10,711.78	10,270.68	18,605.16	20,274.89	40,360.69
b. Depreciation	471.75	439.40	1,010.31	869.29	1,697.76
c. Other expenditure	8,858.09	8,872.21	20,110.60	18,079.81	35,134.74
d. Total	20,041.62	19,582.29	39,726.07	39,223.99	77,193.19
3. Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	2,657.47	5,103.15	4,023.39	6,857.74	9,258.22
4. Other Income	-	0.83	28.03	46.49	4348.37
5. Profit before Interest & Exceptional Items (3+4)	2,657.47	5,103.98	4,051.42	6,904.23	13,606.59
6. Interest	1,116.14	1,241.80	2,205.51	2,430.58	5,092.62
7. Profit after Interest but before Exceptional Items (5-6)	1,541.33	3,862.18	1,845.91	4,473.65	8,513.97
8. Tax expense	121.52	68.88	239.26	186.17	293.93
9. Net Profit (+)/Loss(-) from Ordinary Activities after tax (7-8) & Before Minority Interest	1,419.81	3,793.30	1,606.65	4,287.48	8,220.04
10. Minority Interest	33.40	(158.48)	87.26	(77.79)	2,775.86
11. Net Profit (+)/Loss(-) for the period (9-10)	1,386.41	3,951.78	1,519.39	4,365.27	5,444.18
12. Paid-up equity share capital (Face Value Rs.10 each)	1255.40	1255.40	1255.40	1255.40	1255.40
13. Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	-	14,290.31
14. 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)	11.04	31.48	12.10	34.77	43.37
(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)	11.04	31.48	12.10	34.77	43.37
15. Public shareholding					
- Number of shares	5,606,114	5,606,114	5,606,114	5,606,114	5,606,114
- Percentage of shareholding	44.66	44.66	44.66	44.66	44.66

## Notes:

1. a) The consolidated financial statements 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. The current quarter figures have been reviewed by the auditors.  
b) The above consolidated results were reviewed by the Audit Committee and were taken on record at the Board Meeting held on October 30th, 2008.
2. a) Effective 1st April, 2008, the operations of the foreign subsidiaries are being considered non-integral and accordingly, in compliance with AS 11 relating to 'Changes in Foreign Exchange rates', the non-monetary items are translated at the closing exchange rates and the resultant exchange differences have been included in Translation Reserve as against hitherto being included in the Profit & Loss account.  
b) The 'other operating income' for the quarter and half year ended September 30, 2007 includes Rs. 3367.85 lacs towards foreign exchange difference due to considering the foreign subsidiaries as integral.
3. 'Status of Investor Complaints for the quarter ended September 30, 2008:  
Complaints pending at the beginning of the quarter- Nil; Complaints received during the quarter- 7; Complaints disposed during the quarter - 7; Complaints at the end of the quarter- Nil.
4. 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.
5. Previous periods figures are regrouped wherever necessary to conform to current period's presentation.

For HOV Services Limited

Surinder Rametra  
Chairman & Executive Director

Place: Mumbai  
Date: October 30, 2008

