



HINDUJA TMT LIMITED

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November 5, 2003

Dear Shareholder,

I have pleasure in enclosing a copy of your Company's working results for the 2nd quarter and 1st half of the current fiscal.

You will be happy to know that HTMT has reported an increase of 45% in its total income at Rs. 41.06 crores for the quarter ended 30th September, 2003, as against Rs. 28.20 crores in the same period last year. The net profit for Q2 rose by 28% to Rs. 20.30 crores (Rs. 15.84 crores). Sequentially, the total income grew by 17.53% and net profit by 18% as compared to Q1 of this year.

In the first half, the total income at Rs. 76 crores increased by 44% year-on-year against Rs. 52.81 crores and the net profit increased by 25% to Rs. 37.53 crores (Rs. 30.08 crores). PAT to total income in H1 was 49%. The above growth is a direct result of the continuous ramp up of business from existing clients and acquisitions of new BPO clients as also resource optimisation. The performance is in line with the guidance given for 2003-2004.

HTMT continues to be debt-free with a networth at Rs. 461 crores as on 30th September, 2003. The Company has sufficient cash resources to meet its expansion needs.

Information Technology

First six months of the current fiscal was a period of major accomplishments in the Company's Information Technology business. The highlights are:

a) 2nd Best Company to Work With (Dataquest – IDC's BPO Employees' Satisfaction Survey 2003)

As per the final ranking of DATAQUEST – IDC's employees' satisfaction survey 2003, the first ever of its kind in the country, HTMT has been ranked 2nd after GE Capital among the top 15 BPO companies in India. Since GE Capital is a foreign owned company, the survey places HTMT as No.1 among the Indian BPO companies covered by the study.

The employee satisfaction score was calculated on 13 parameters. HTMT has also been rated No.1 under the preferred employer, salary and compensation, appraisal system and overall satisfaction parameters and No.3 in respect of people parameter, which measures employees' satisfaction with company's leadership, immediate managers and peers.



This ranking is a fitting endorsement of HTMT's HR Policy founded on the principles of fair process. Your Company's firm faith in and practice of the core value of employee empowerment mould each employee into a value builder and brand ambassador.

b) 2nd Largest Healthcare BPO Company

I am glad to inform you that HTMT has been ranked as the 2nd largest healthcare BPO Company in India by the Business World Magazine recently. HTMT's value proposition of excellence in processes and execution continuously strengthens its relationship with its customers. The fact that the Company's claim processing business for a large US health insurance company, which started at Bangalore with 23 processors in August 2000, has now grown into a business of around 600 processors handling about 1.8 Mn. claims per month will bear testimony to this partnership of value creation.

c) CMM Level-4 Certification for IT Services

The IT services wing of HTMT has recently received CMM Level-4 Certification for software development and maintenance, signifying its process maturity and control.

d) Expansion of the ITES / BPO Client Base

HTMT's dependence on a narrow client base for the ITES business was changed for the better with the signing up of three new contracts during the period. Execution of one of the new Call Centre contracts from a broadband communication company commenced in August, 2003 with 54 Customer Service Representatives for order administration, technical help desk etc. The staff strength, now increased to 172 CSRs, is likely to reach to 350 by 31st March, 2004.

e) New premises at Bangalore and a DRC at Mumbai

HTMT has recently taken on lease premises admeasuring 80,000 sq. ft. for building 1,400 seat capacity at Bangalore to meet the expanding requirements of existing clients and the needs of customers in the pipeline. This is in addition to the existing capacity of 1,050 seat 52,000 sq. ft. offshore development center 'HTMT House' at Bangalore, which is now fully occupied.

Your Company is also setting up a Disaster Recovery Center (DRC) for its US based Healthcare client at the Mumbai premises owned by InNetwork – its media content subsidiary.

f) Acquisition of Customer Contact Centre (c3)

Your Company's Board has recently approved, subject to requisite statutory approvals, the acquisition of controlling interest and management control in c3, one of the large profit making Offshore Call Centers in Manila, Philippines, against a purchase consideration of USD 3.90 Mn.

c3 is located in Eastwood, an Export Promotion Zone in Manila, and is operating, as of date, approximately 500 Call Center seats. It has been in operation since June 2001 and has adequate infrastructure facilities to ramp up its seating capacity from 500 seats to 930 seats in a short span of time. c3 holds 42.5% stake in SOCA, a Joint Venture Company formed with Source One, USA, for servicing US clients procured by the Joint Venture Partner. c3's customers include a number of reputed overseas blue chip companies in various domains like Banking, Credit Card Services, Consumer Electronics, Media and Entertainment, etc.

Universal Vision Corporation (UVC), with whom HTMT has strategic alliance for marketing Offshore Call Center business from USA, had in July 2003 acquired 100% ownership in c3 from Benpres Holding Corporation, (BHC) Manila. With a view to ensuring continuity of management of c3, Jose Xavier B. Gonzales, the CEO of c3 has been associated as a local partner in c3 with 20% stake, which would be held through an overseas Offshore Holding Company (Holdco).

UVC has provided HTMT an option to acquire upto 51% of its stake in Holdco, subject to HTMT entering into suitable shareholders agreement with the other shareholders. By exercising the option, HTMT would be able to

acquire majority controlling interest and management control on c3. c3 will become a subsidiary of HTMT and its financial results would be consolidated with those of HTMT.

c3 achieved break-even level of operations in the last quarter of 2002 and has started generating profits from 2003. During the first 9 months of the current year c3 has generated a net profit of approximately USD 0.47 Mn. representing 9% of the turnover. The combined turnover of c3 and SOCA for the year ending December 2003 is estimated to be around USD 10 Mn. (Rs. 46 Crores). c3 is expected to maintain its profitability for the year 2003.

The domain expertise of c3 and its client-base would be complementary to HTMT's Call Center / BPO operations. Following the acquisition, c3 would be able to expand its operations by servicing fresh clients sourced by UVC.

HTMT will substantially benefit from the acquisition, as it would be one of the first ITES companies in India to offer its international clients an alternative location outside India for servicing their requirements. Further, the acquisition would also enable HTMT to widen its domain expertise in other areas like Banking, Credit Card Services, Consumer Electronics and Media and Entertainment, in addition to its present domain knowledge in Telecom, Insurance, Financial Services and Manufacturing (Automobile) sectors, which in turn is expected to help HTMT in further scaling up its Offshore Call Center / BPO business in due course.

Subsidiaries / Associates

HTMT's flagship subsidiary IndusInd Media & Communications Ltd. (IMC) has fully implemented its state-of-the-art Conditional Access System (CAS) project and IMC and its customers will stand to benefit immensely on CAS becoming operational country-wide. The Company has partnered with Kudelski S.A. Switzerland, who apart from agreeing to take an equity stake in the company is also the technology partner and has supplied its world's leading conditional access system.

HTMT's Media Content subsidiary, InNetwork Entertainment Ltd. has consolidated its film and television content businesses and continues to be a leader in the cable segment of the business.

Fascel, HTMT's associate, continues to lead cellular business in Gujarat with a subscriber base of 7,31,298 numbers as on September 30, 2003. This represents approximately 47% share of the total cellular subscribers in Gujarat and a 22% share in the total subscriber base of over 3.2 million in 11 circles of Hutchison Telecom.

The valuation of Fascel is under discussion with Hutchison Telecom for the purpose of consolidating its holding in Fascel Ltd. with other Hutchison Telecom's circles to ensure that maximum benefit accrues to HTMT's shareholders. The final decision in this regard would be taken in due course with the approval of its board.

Unclaimed Dividends

In terms of the provisions of Section 205A of the Companies Act, 1956, as amended, the unclaimed dividends are now required to be transferred to the Investor Education and Protection Fund established by the Central Government, after a period of seven years from the date it is transferred to unpaid dividend account. Accordingly, the Company has transferred the unclaimed dividends for the financial year 1994-95 to the said Fund. The Company would be transferring the unclaimed dividends for the financial year 1995-96 to the Fund in March 2004. The members, who have not received the dividends for any financial year from 1995-96 onwards, are requested to claim it from the Company immediately.

Way Forward

HTMT's business plan is designed to deliver maximum satisfaction to customers and long term value to shareholders. The achievements in the Company's IT business in the 1st half of the current fiscal demonstrate that HTMT is moving steadily ahead to reach the target of becoming a Scale Player and a Leading Information Technology Company. It will be our endeavour to continue to outperform the Indian IT industry with cutting edge innovation and technology, flawless operational execution as well as delivery of quality products and services. This strategy will be implemented with vigour and dedication in the days ahead.

With best regards,
Yours sincerely,



HINDUJA TMT LIMITED

(formerly known as Hinduja Finance Corporation Limited)
Hinduja House, Dr. Annie Besant Road, Worli, Mumbai-18.

Q2- INCOME UP BY 45%
Q2- PAT UP BY 28%

1ST HALF- INCOME UP BY 44%
1ST HALF- PAT UP BY 25%

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH SEPTEMBER 2003

(Rs. in Lakhs)

Particulars	I.T.		Other than I.T.		Total		Year to date		Audited
	For the Quarter ended		For the Quarter ended		For the Quarter ended		Current Year	Previous Year	Year Ended
	30.09.2003	30.09.2002	30.09.2003	30.09.2002	30.09.2003	30.09.2002			31.03.2003
1. Total Income	3665.42	2336.05	441.13	484.56	4106.55	2820.61	7600.65	5281.47	11446.59
Sales / Income from operations	3663.70	2323.19	337.83	406.78	4001.53	2729.97	7439.78	5069.73	11186.64
Profit / (Loss) on sale of investments	0.00	0.00	103.15	37.36	103.15	37.36	158.26	147.68	178.31
Other Income	1.72	12.86	0.15	40.42	1.87	53.28	2.61	64.06	81.64
2. Total Expenditure	1780.36	798.14	162.83	143.05	1943.19	941.19	3559.98	1807.94	4448.70
a) Direct Cost, Product charges & Connectivity Cost	603.86	48.30	0.00	0.00	603.86	48.30	866.12	90.14	366.16
b) Staff Cost	748.20	499.22	41.81	39.28	790.01	538.50	1543.62	1037.48	2294.50
c) Rent and Compensation charges	30.97	32.73	21.22	21.23	52.19	53.96	114.40	112.72	223.43
d) Legal and Professional charges	37.85	17.35	31.29	40.54	69.14	57.89	113.89	89.30	146.34
e) Discounts and Commission	180.09	64.02	0.00	0.00	180.09	64.02	349.42	119.49	483.15
f) Others	179.39	136.52	68.51	42.00	247.90	178.52	572.53	358.81	935.12
3. Interest and Other Finance charges	0.00	6.51	0.00	1.14	0.00	7.65	0.16	7.86	0.00
4. Gross Profit (after interest but before Depreciation and Tax)	1885.06	1531.40	278.30	340.37	2163.36	1871.77	4040.51	3465.67	6997.89
5. Less : Depreciation / Amortisation	99.75	70.54	8.21	7.24	107.96	77.78	211.95	142.06	385.96
6. Profit / (Loss) before Tax	1785.31	1460.86	270.09	333.13	2055.40	1793.99	3828.56	3323.61	6611.92
7. Provision for Taxation (incl. Deferred Tax)	0.00	100.00	25.00	110.00	25.00	210.00	75.00	315.00	408.87
8. Profit / (Loss) after Tax	1785.31	1360.86	245.09	223.13	2030.40	1583.99	3753.56	3008.61	6203.05
9. Paid up Equity Share Capital (Face Value Rs. 10/-)					4,090.39	3,558.37	4,090.39	3,558.37	4,090.39
10. Total Dividend									2,863.27
11. Reserves Excluding Revaluation Reserve									38,303.93
12. Basic and Diluted E.P.S. (not annualised) (Rs.)					4.96	4.45	9.18	8.46	15.16
13. Aggregate of Non-Promoter Shareholding:									
- Number of shares							10,230,764	10,203,264	10,228,264
- Percentage of Shareholding (%)							25.01	28.67	25.01

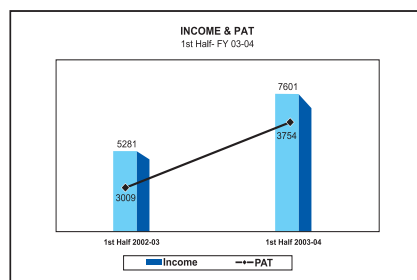
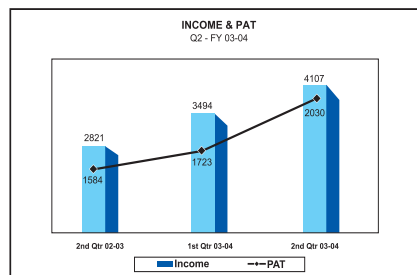
Segment Reporting as per clause 41 of the Listing Agreement for the Quarter ended 30th September, 2003 (Rs. in Lakhs)

Particulars	Quarter ended Sept. 30, 2003	Quarter ended Sept. 30, 2002	6 Months ended Sept. 30, 2003	6 Months ended Sept. 30, 2002	Year ended March 31, 2003
Segment Revenues					
a) Convergence Activities					
i) I.T.	3663.70	2323.19	6837.31	4340.83	9977.81
ii) Media - Telecom	210.18	237.79	429.34	491.52	890.14
Total	3873.88	2560.98	7266.65	4832.35	10867.95
b) Treasury	230.95	232.21	331.39	410.88	497.00
c) Others (unallocated)	1.72	27.42	2.61	38.24	81.64
Total Income	4106.55	2820.61	7600.65	5281.47	11446.59
Segment Results - Profit / (Loss) before tax and interest from segment					
a) Convergence Activities					
i) I.T.	1785.31	1467.37	3382.39	2690.19	5787.28
ii) Media - Telecom	144.06	187.32	292.87	377.79	514.84
Total	1929.37	1654.69	3675.26	3067.98	6302.12
b) Treasury	199.38	224.48	289.99	394.22	461.41
c) Others (unallocated)	(73.35)	(77.53)	(136.53)	(130.73)	(151.61)
Total	2055.40	1801.64	3828.72	3331.47	6611.92
Less : Interest	0.00	7.65	0.16	7.86	0.00
Total Profit before tax	2055.40	1793.99	3828.56	3323.61	6611.92
Capital Employed (Segment Assets - Segment Liabilities)					
a) Convergence Activities *					
i) I.T.	8352.58	6069.69	8352.58	6069.69	7654.42
ii) Media - Telecom	29294.02	24407.19	29294.02	24407.19	28679.94
Total	37646.60	30476.88	37646.60	30476.88	36334.36
b) Treasury	8609.05	9166.37	8609.05	9166.37	8602.03
c) Others (unallocated)	(107.73)	663.53	(107.73)	663.53	(2542.07)
Total	46147.92	40306.78	46147.92	40306.78	42394.32

- There are no Inter Segment Revenues
* This includes capital employed in TMT (Technology, Media and Telecom) subsidiaries.

Notes :

- During the quarter, 21 fresh complaints were received. All the complaints including one at the beginning of the quarter were resolved, hence there was no complaint pending as on 30th September, 2003.
 - Previous period figures have been regrouped wherever necessary.
- The Statutory Auditors have carried out a limited review of the financial results of quarter and half year ended 30th September, 2003 as per clause 41 of the Listing Agreement with Stock Exchanges. The above results were reviewed by the Audit committee and taken on record by the Board of Directors at its meeting held on 30th October, 2003.



For Hinduja TMT Limited
S. Solomon Raj
Vice Chairman
Mumbai
30th October, 2003



India's Leading Convergence Corporation

www.hindujatmt.com