



Hinduja TMT Limited

Regd. Office : In Centre, 49/50, MIDC, 12th Road, Andheri (East), Mumbai - 400 093.



HTMT Global Solutions Limited

Date : 12th April, 2007

Dear Member,

Sub : Computation of cost of acquisition and determination of date of acquisition in respect of the shares allotted pursuant to the Scheme of Arrangement and Reconstruction between Hinduja TMT Limited ("HTMT") and HTMT Global Solutions Limited ("HTMT Global", previously known as HTMT Technologies Limited) and their respective members and creditors (the "Scheme")

The Hon'ble High Court of Judicature at Bombay, by its Order dated 23rd February, 2007, has sanctioned the Scheme as defined above, in terms of which :

- (a) the IT / ITES undertaking of HTMT has been demerged and transferred to HTMT Global with effect from 1st October, 2006, being the Demerger Appointed Date;
- (b) the Board of Directors of HTMT Global have allotted to each member of HTMT whose name is recorded in the register of members of HTMT on the Record Date (i.e. 9th April, 2007), equity shares of HTMT Global in the Demerger Share Entitlement Ratio of 1 (one) equity share of HTMT Global of face value Rs. 10/- each fully paid-up for every 2 (two) equity shares of face value Rs. 10/- each fully paid-up held by such member in HTMT;
- (c) the issued, subscribed and paid-up equity share capital of HTMT has been reduced by reducing the face value of the equity shares from 1 (one) equity share of Rs. 10/- each fully paid-up to 1 (one) equity share of Rs. 5/- each fully paid-up and simultaneously consolidating 2 (two) such equity shares of Rs. 5/- each fully paid-up into 1 (one) equity share of Rs.10/- each fully paid-up; and
- (d) the Board of Directors of HTMT have allotted proportionately to each member of HTMT whose name is recorded in the register of members of HTMT on the Record Date (i.e. 9th April, 2007), such reduced and thereafter simultaneously consolidated equity shares of face value Rs. 10/- each fully paid-up, as are referred to in (c) above, in exchange for the equity shares of HTMT held by such member on the Record Date.

In effect, a member holding 100 shares of HTMT of face value Rs. 10/- each fully paid-up on the Record Date would now receive 50 shares of HTMT of face value Rs. 10/- each fully paid-up and 50 shares of HTMT Global of face value Rs. 10/- each fully paid-up.

In terms of the Scheme, the assets and liabilities of the IT/ITES undertaking of HTMT have been transferred to HTMT Global at values appearing in the books of accounts of HTMT at the close of business of 30th September, 2006, being the day immediately preceding the Demerger Appointed Date. **The book value of the Net Assets transferred by HTMT to HTMT Global was Rs. 497.00 crores and the book value of the Net Assets that remained, was Rs. 576.57 crores.**

For the purpose of computing the post demerger cost of acquisition of the equity shares of HTMT and of HTMT Global under the Income-Tax Act, 1961, the members are advised to apportion their pre-demerger cost of acquisition of HTMT shares in the following proportion :

Name of the Company	% of cost of acquisition of HTMT Shares
HTMT	53.71%
HTMT Global	46.29%
	100.00%

The date of acquisition of the (i) shares of HTMT Global and (ii) shares of HTMT allotted upon reduction of capital and simultaneous consolidation shall be deemed to be the date on which the shares of HTMT were acquired.

The advice contained above is illustrated by way of the following example. Mr. ABC had purchased 100 shares of HTMT at a price of Rs. 250/- per share on 29th August, 2000. His cost of acquisition was Rs. 25000/-. He has now been allotted 50 shares of HTMT and 50 shares of HTMT Global. The aggregate cost of acquisition now apportioned to HTMT works out to Rs. 13427.50 (i.e. 53.71% of Rs. 25000/-) and the aggregate cost of acquisition now apportioned to HTMT Global works out to Rs. 11572.50 (i.e. 46.29% of Rs. 25000/-). Accordingly, Mr. ABC's cost of acquisition and date of acquisition of the shares of HTMT and HTMT Global would be as follows:

Name of the Company	Cost of acquisition per Share	Date of Acquisition
HTMT	Rs. 268.55 (i.e. Rs. 13427.50 / 50)	29 th August, 2000
HTMT Global	Rs. 231.45 (i.e. Rs. 11572.50 / 50)	29 th August, 2000

Members are requested to kindly note that while the advice contained in this communication is based on expert opinion received by the Companies, the Companies do not assume any liability in providing such advice. Members are advised to consult their tax advisors in the matter.

Thanking you,

Yours faithfully,

For HTMT Global Solutions Limited

Somnath Majumdar
Senior Vice President and Head - Legal & Secretarial
(Authorised signatory for Hinduja TMT Limited)