



HINDUJA TMT LIMITED

Hinduja House, Dr. Annie Besant Road, Worli, Mumbai - 400 018
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Dear Shareholder,

I enclose a copy of your Company's working results for the 2nd quarter ended the 30th September, 2001. You will be happy to know that the Company's revenues from IT, its predominant activity, for the quarter has increased to Rs. 13.40 crores from Rs. 10.56 crores for the quarter ended June 30, 2001, showing a growth of 27%. Net profit from IT activities grew 57% over the earlier quarter from Rs. 5.58 crores to Rs. 8.74 crores.

However, on an overall basis, the Company's net profit for the first six months of the current fiscal has come down from Rs. 25.63 crores in the corresponding period last year to Rs. 17.28 crores this year. The decline was mainly due to our phasing out finance activities. The Net Worth as on September 30, 2001 was Rs. 364 crores and the Book Value per share, Rs. 102. Your Company is now a debt free Company.

It is quite possible that you had read the reports which appeared in the Economic Times (ET) on the 16th and 17th October 2001 regarding the investigation of SEBI, at the instance of Joint Parliamentary Committee (JPC), into dramatic swings in the prices of shares of a number of companies. Your Company (earlier known as Hinduja Finance Corporation Limited) was reported to be one such company whose shares had shown marked increase in price on a few days prior to 19th January, 2000 when the merger of erstwhile Ashok Leyland Information Technology Limited with the Company was approved by our Board and made public. SEBI is reported to have opined that someone privy to the information might have bought our shares in large quantities before the merger was made public, but no definitive conclusion of insider trading was drawn. However, the report of the 17th October was titled "Heavy Insider Trading in Hinduja Finance unveiled" which was factually incorrect and damaging. This was brought to the notice of ET and the paper was requested to correct the story published on the 17th October. ET dated October 19, 2001 carried the correction with regret for the error.

Neither the Company nor its promoters did have any connection or dealing with the three trading members mentioned in the report and the fact was advised to ET and the Stock Exchange. We have also not received any enquiry from SEBI.

As reflected in our annual report for the year 2000/01, serious efforts have been made not only by your Company but also its subsidiaries to improve the corporate governance and foster equity in balancing stakeholder interest. Our objective will be to combine good performance with good governance and transparent accounting practices, which will enable your Company to attain global standards.



Core Business – Information Technology

You may be aware that last year, pursuant to recommendations of Accenture, your Company had made, inter-alia Business Process Outsourcing or IT Enabled Services (ITES) as a thrust area in its new IT business model. The recent reports about some of the leading Indian software services companies venturing directly or indirectly into IT enabled services confirms your Company's strategy and views on the huge growth potential offered by this segment. Over the last 12 months, HTMT has invested significantly in creating state of the art infrastructure for executing ITES. Strong focus and successful execution of our first ITES project from a US based healthcare organization has now led to another ITES project viz: call center business from a US \$ 2 billion telecom company. To start with, your Company would service in-bound calls from potential customers of the telecom company and the initial capacity planned is 180 seats and over 360 call service representatives, which is proposed to be increased in a phased manner. Moving up in the value chain in these services, your Company is slated to emerge as a significant player in such business.

Subsidiaries

HTMT, besides positioning itself as an operating IT Company, plays the role of an active parent for its subsidiaries in the TMT Sector brought within its fold. These subsidiaries continue to grow and maintain their pre-eminent position in the areas of cable television, broadband Internet, local television programming, movie channel and movie based programming. Fascel, HTMT's joint venture with Hutchison Max, continues to be the largest single circle (excluding metros) cellular operator in the country. Under HTMT's supervision, the Media and Telecommunication subsidiaries have been financially, technologically and managerially strengthened to enhance shareholder value.

Your Company's subsidiary, Planet e-Shop India Pvt. Ltd, which was in the stage of formation as mentioned in our Annual Report, has since been renamed as Shop 24 Seven India Pvt. Ltd. On 6th November, Shop 24 Seven launched India's first integrated, interactive e-commerce initiative using Television, Internet and franchised points of presence for an exclusive range of Indian and imported products. The company has set-up a dedicated fulfillment and delivery chain comprising a call center, product warehousing, and courier. In order to ensure a wide reach and market penetration, arrangements are being worked out with cable majors and distributors to air the television channel as well as franchisee stores to enhance the distribution network.

Inspite of a bleak economic outlook and reduction in IT spend abroad, barring unforeseen circumstances, we expect to do well in the second half of the year, thanks to contracts on hand. We hope that the market will reward our share with a higher valuation to reflect its strength and potential.

Yours sincerely,

Mumbai
7th November, 2001

S. Solomon Raj
Vice Chairman



HINDUJA TMT LIMITED

(formerly known as Hinduja Finance Corporation Limited)
HinduJa House, Dr. Annie Besant Road, Worli, Mumbai - 400 018

UNAUDITED FINANCIAL RESULTS (PROVISIONAL) FOR THE QUARTER ENDED 30TH SEPTEMBER 2001

Rs. in lakhs

S.No.	Particulars	I.T.		Total For the Second Quarter ended 30.09.2001	Other than I.T. For the Quarter ended 30.09.2001	Total For the Second Quarter ended 30.09.2000	Year to date		Audited Previous Year ended 31.03.2001
		For the Quarter ended 30.09.2001	For the Quarter ended 30.09.2001				Current Year	Previous Year	
1	Total Income	1340.78	(30.25)	1310.53	1514.41	2779.39	3693.43	6172.46	
	Sales / Income from operations	1326.45	(483.30)	843.15	1381.90	1990.38	3338.03	5403.65	
	Other Income	14.33	453.05	467.38	132.51	789.01	355.40	768.81	
2	Total Expenditure	447.10	187.41	634.51	426.24	1168.18	975.66	2131.47	
	a) Purchases	0.00	0.00	0.00	0.00	0.00	189.09	216.13	
	b) Staff Cost	270.93	31.80	302.73	201.68	597.12	344.69	677.88	
	c) Rent and Compensation charges	38.72	41.31	80.03	62.80	154.08	114.53	243.37	
	d) Legal and Professional charges	16.00	25.98	41.98	40.94	62.83	57.05	353.06	
	e) Other	121.45	88.32	209.77	120.82	354.15	270.30	641.03	
3	Interest and other Finance charges	1.43	0.75	2.18	74.24	29.07	108.07	77.90	
4	Gross Profit (after interest but before Depreciation, Tax and Provision for exceptional items)	892.25	(218.41)	673.84	1013.93	1582.14	2609.70	3963.09	
5	Less : Provision for N.P.As / Bad Debts written off	0.00	0.00	0.00	0.00	0.00	0.00	122.76	
	Depreciation / Amortisation	17.28	9.89	27.17	10.09	95.46	19.14	115.41	
6	Add : Exceptional Items	0.00	70.92	70.92	0.00	31.63	78.05	882.12	
7	Profit / (Loss) before T ax	874.97	(157.38)	717.59	1003.84	1803.31	2668.61	4607.04	
8	Provision for Taxation	0.00	10.00	10.00	50.00	75.00	105.00	400.46	
9	Profit / (Loss) after T ax	874.97	(167.38)	707.59	953.84	1728.31	2563.61	4206.58	
10	Paid up Equity Share Capital (Face Value Rs. 10/-)			3558.37	2399.19	3558.37	2399.19	3558.37	
11	Final Dividend			1.99	3.98	4.86	10.69	13.67	
12	Reserves Excluding Revaluation Reserve			95.32,048	26.77			95.36,421	
13	Basic and Diluted E.P.S. (not annualised) (Rs.)							26.80	
14	Aggregate of Non-Promoter Shareholding: - Number of shares - Percentage of Shareholding (%)								

Notes :

- The figures for the Previous Year ended 31st March, 2001 also include financials of Hinduja Telecom India Ltd. (HTIL) Melody Trading Pvt. Ltd. (MTPIL) and Richman Investrade Pvt. Ltd., (RIPI) pursuant to the Bombay High Court Order. The mergers are effective from 31st August 2000 and hence the previous year figures include financials of these companies from 31st August 2000 to 31st March 2001.
- Other Income consists of dividend, interest and miscellaneous income.
- The company started call centre operations within its IT division situated at Bangalore.
- Provision for Taxation has been made for deferred tax and included in Provision for Taxation amounting to Rs.10 lakhs for the six months ended 30th September, 2001. Deferred Tax Liability upto March 31, 2001 would be adjusted from General Reserves as on 31st March, 2002.
- Exceptional Item refers to write back of diminution in value of investments provided in earlier years.
The above results were reviewed by the Audit Committee and taken on record at the meeting of the Board of Directors of the Company held on 25th October, 2001.

Place : Mumbai

Date : 25th October, 2001

For Hinduja TMT Limited

S. Solomon Raj
Vice Chairman



INDIA'S FIRST CONVERGENCE CORPORATION

www.hindujatmt.com



Vision

The great scientist Archimedes is reported to have said "Give me a place to stand on, and I can lift the universe off its hinges." In the world of business, the place to stand on is the area of concentration which gives a business leverage that lifts the universe off its hinges.

The vision of HTMT (inspired by the above statement of Archimedes) is to become a leader in its area of concentration viz: Information Technology and build a brand for quality, delivery, cost effectiveness, innovation and above all total client satisfaction. Also, HTMT will exploit the synergies arising out of Convergence of its businesses in the TMT Sector to deliver products and services for enhancing the quality of life.