

ANNUAL REPORT 2000-01

MASTEK 

# Leverage



## **BOARD OF DIRECTORS**

### **ASHANK DESAI**

Chairman & Managing Director

### **KETAN MEHTA**

Wholetime Director

### **SUDHAKAR RAM**

Wholetime Director

### **R. SUNDAR**

### **P.G. KAKODKAR**

### **GURCHARAN DAS**

### **BANKERS**

ICICI Bank Limited  
The Vysya Bank Ltd.

### **AUDITORS**

Price Waterhouse & Co.

### **REGISTERED OFFICE**

804/805 President House,  
Opp. C. N. Vidyalaya,  
Near Ambawadi Circle,  
Ahmedabad - 380 006.

### **SHARE TRANSFER AGENT**

Sharepro Services  
Satam Estate, 3rd Floor,  
Above Bank of Baroda,  
Chakala, Andheri (East),  
Mumbai 400 099.

## **EXECUTIVE BOARD**

### **ASHANK DESAI**

Chairman & Managing Director

### **KETAN MEHTA**

Director

### **SUDHAKAR RAM**

Director

### **MIKE CAST**

Managing Director  
Mastek (UK) Ltd., UK

### **ATUL VOHRA**

President  
Majesco Software, Inc., U.S.A.

### **KARL-HEINZ JAUCH**

Managing Director  
Mastek GmbH, Germany

### **KISHOR BHALERAO**

Group Sr. Vice President - HR

### **EXPORT UNITS**

Mumbai (SEEPZ), Pune

### **OFFICES IN INDIA**

Ahmedabad, Bangalore, Kolkata,  
Mumbai and New Delhi

### **OFFICES OVERSEAS**

Belgium, Germany, Japan, Malaysia,  
Singapore, UK and USA

# Project ILA



**Dave Richards** Director - Capita Business Services

*"Mastek's impressive track record and credentials have been amply demonstrated throughout their relationship with Capita. A high quality service delivered on time is a crucial factor for us. Mastek have consistently met these requirements, whilst understanding and sharing our vision and culture."*

## A learning experience that's passed the test!

Capita's Individual Learning Account (ILA) Project, initiated by the Department for Education and Employment (DfEE), UK, to promote lifelong learning, has been one of our most mission critical projects. Since the project had to be up and running within 4 months, time became a critical factor.

### A quick study

With no loss of time, Mastek's Pune-based Internet Competency Centre (ICC) carried out feasibility and project requirement studies. Easy to use technology helped speed up development and proved an effective and flexible platform. To service the anticipated high volume of users, Mastek's TechCell did extensive R&D and deployed state-of-the-art tools to test the scalability and performance under peak loads. The application was run without any error for 1000 concurrent users on a single machine! Besides, interfaces were also created to validate UK postcodes online.

### The real test

The whole team worked 12-hour days to meet the critical deadline. Comprehensive testing was carried out to ensure a bug-free product, including a detailed scalability test.

September 1, 2000, saw the entire project complete, tested and ready to go-online... well within the deadline. By October 2000 over 360,000 people had opened ILAs.

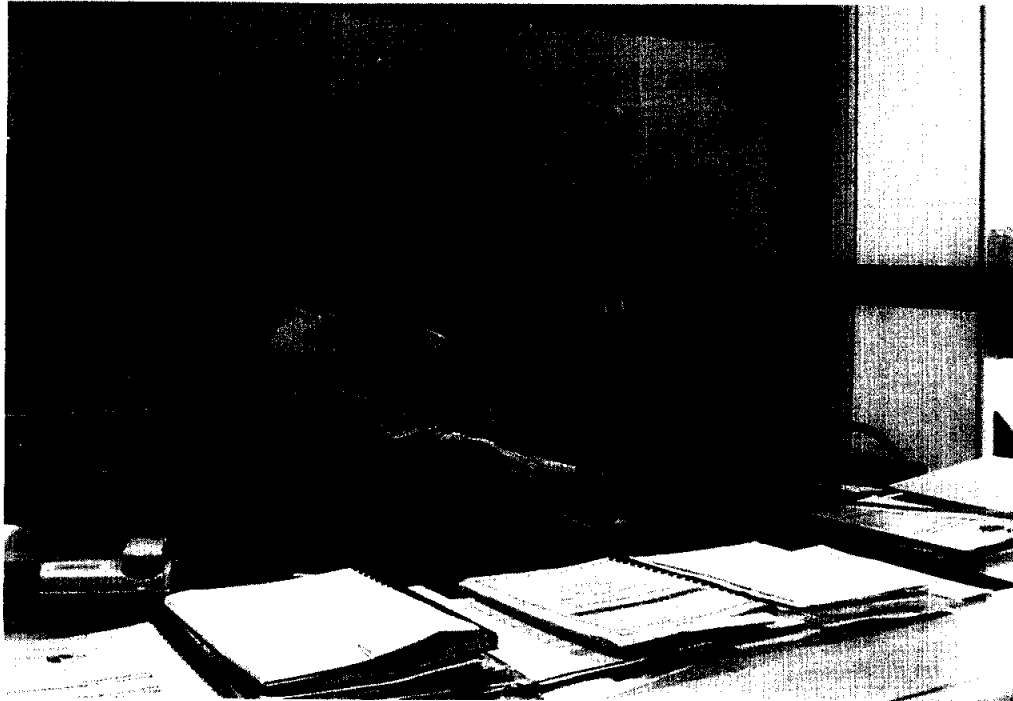
**And this was possible only because of Mastek's strong processes and P-CMM Level 3 teams (the first IT company in the world to have one!) that helped achieve better cost and time management with quality levels that are 3 times better than industry standards!**

The figures speak for themselves!

- 16,80,649 ILAs
- 8,850 Learning providers
- 270 Organisations
- 2,28,294 Courses offered
- 8,51,281 course registrations

Capita has consolidated its position as a competent service provider and this winning partnership has been continued with subsequent projects being awarded to Mastek.

# Project Elixir



Ooi ST AGM Operations - Mayban

*"...They have been consistently professional in the quality of their work, their in-depth knowledge about insurance business, their ability to meet delivery deadlines, and their commitment to us - the customer".*

## Adding the 'elixir' of success

MaybanLife Assurance Berhad, a leading Malaysian insurance company was looking out for an IT service supplier to maintain and upgrade its core product, Elixir, an individual life insurance administration system, which was developed by Mastek in 1998. Due to its extremely flexible architecture, it has enabled excellent functionality to insurance companies even today. Since Mastek was the original developer of the system, it was logical to choose Mastek for its upgradation too. Besides, Mastek's global reputation for reliability, stringent quality and on-time deliveries were crucial factors because this was a "live" project. It was being used by a huge subscriber base and past data relating to a spectrum of insurance functions had to remain unaffected.

### Premium quality- the best policy

The Mastek team took this up as a new challenge. The scope of work included adding new products, enhancements of existing products and integrating them with the existing accounting system without glitches as well as better system monitoring & incorporating business changes. And in keeping with current trends worldwide, the entire system was to be web-enabled too.

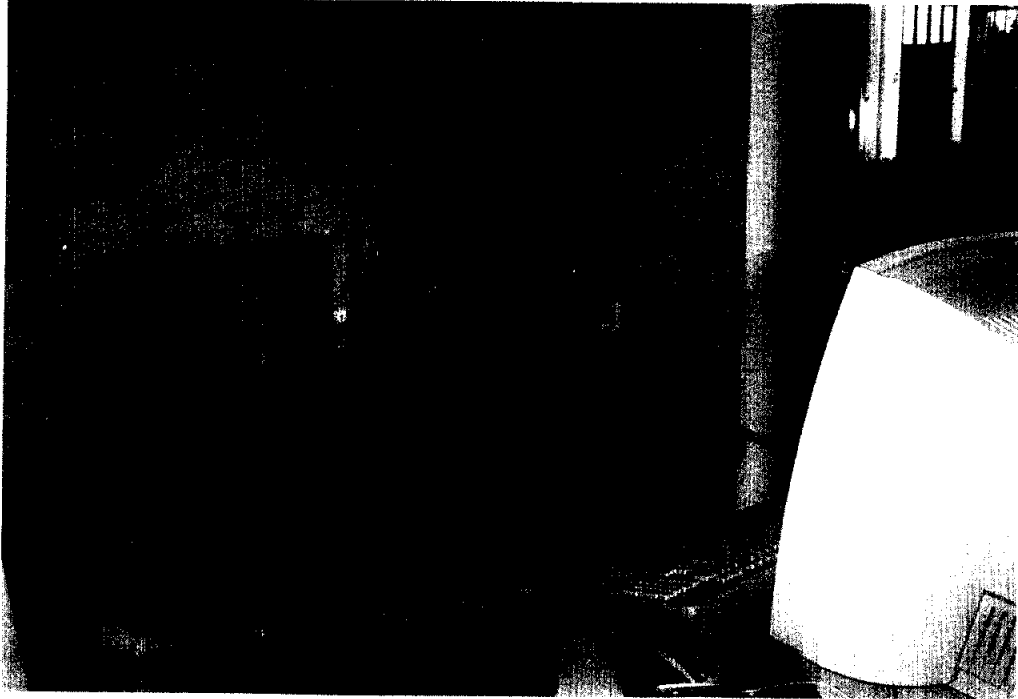
While critical requirements were addressed by an on-site team, the remaining work was done at the Mumbai offshore facility. This brought about an additional challenge of configuration management and co-ordination. Development and testing was done within tight time schedules to ensure that the client was first-to-market with new products, to help them stay ahead of competition.

### A QUEST for the Best

Several deliveries have already been completed, successfully and on time. For instance, the Annuity Policy- within 60 days all basic annuity-related programs were released, taking into account its impact on other functions of the company as well.

In its continuing quest for quality and ensuring that the client gets the best, Mastek has devised a powerful, proprietary tool - ePMO, that monitors the five QUEST parameters of Quality, Utilisation, Efficiency, Scope and Time. This unique online tool permits both Mastek and the client to gauge the status and success rate of the project at a glance.

# Project IBS - eService



Michael Brunk Technical Consultant - IBS AG

*"I want to thank Mr. Sunkle (of Mastek)  
for doing an excellent work here in  
Germany...".*

## **It's said 'Time flies'. In this case, we had to be faster.**

IBS AG, a software house in Hoeher - Grenzhausen, Germany, develops standard software systems and consulting services for quality and production management. They planned to build a web-based solution, which would help companies keep track of maintenance contracts for equipment installed at their client's place. A fully integrated, comprehensive, internet-based customer service management system, this solution provides the complete range of service functions from startups to replacement part supply for companies in any industrial sector. It works on the basis of reference processes and both, the technical customer service and the customers are linked via the Internet.

### **Racing against time...**

August 2000 was the deadline set for the product launch. And Mastek got the project in January 2000. Besides, Control 2000 was coming up in May, for which a demo version had to be ready. The customer also wanted some features of client-server architecture in this web-based solution which meant more work in less time! The race had now begun!

### **...and clocking faster... better**

Since this was Mastek's first assignment in XML, and due to its inherently complex nature, a detailed technical architecture and other functional requirements were drawn up and finalized. ASP and XML were used for the user interface and the product was tested to work on Oracle and SQL server databases. Mastek's technical competence was proved when the prototype was quickly developed and delivered. Also, the templates needed for further development were prepared.

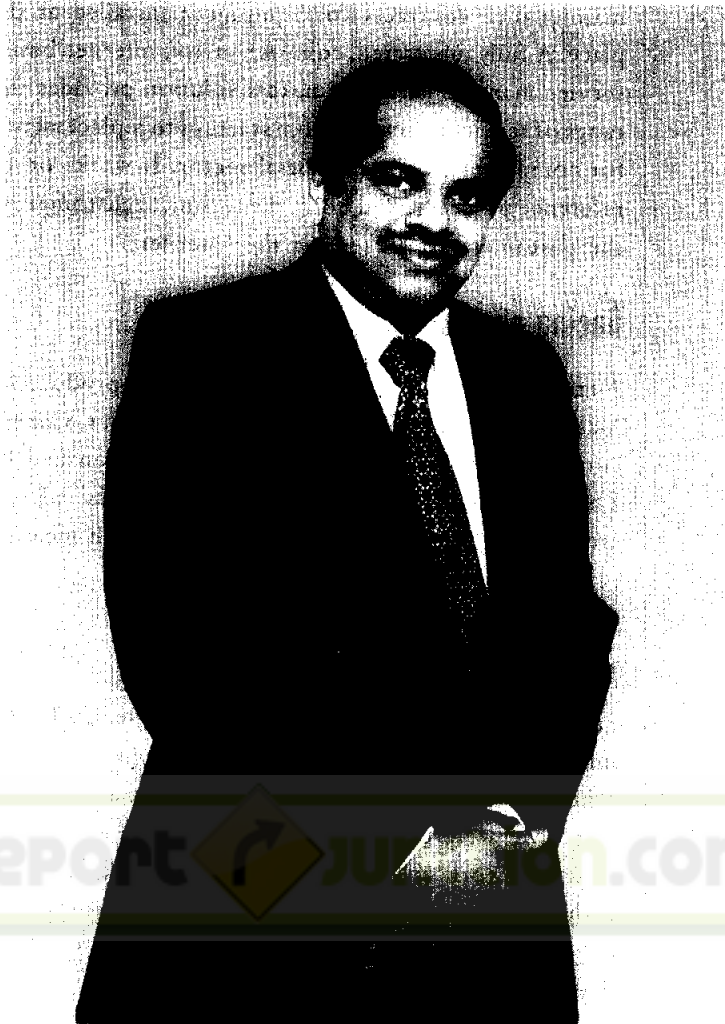
The first target... the May exhibition... was met! After this, the remaining development process began in right earnest with every team member putting in their best to meet the deadline. Finally, all deliveries were made as per the agreed Delivery Plan!

This partnership too spans several other projects!

Understanding the client's vision and meeting it with internationally certified processes and top-of-the-line trained people, on time with cost savings too! That's the reason why most of Mastek's customers continue to give them repeat business.



# Chairman's Statement



**Ashank Desai** Chairman & Managing Director

## Dear Shareholders,

Last year has been eventful in terms of strategic transformation of the company, but this has happened at the cost of short-term performance. At the beginning of the year, we had decided to focus on large Fortune 1000 accounts with significant outsourcing potential. This initiative coupled with lengthening sales cycle affected immediate revenue numbers. While Europe consolidated its position with 46% share in the Group Revenue, share of revenues from the US dropped to 44%.

Mastek Group posted revenues of Rs. 2.6 billion for the year ended June 2001 as against Rs. 2.5 billion in the previous year. The Group Profit during the fiscal was placed at Rs. 84 million.

The Group Revenues for the year as per US GAAP were Rs. 2.6 billion (\$ 56 million). After providing for Depreciation and Interest of Rs. 147.7 million (\$ 3.2 million), the Group Profit before Tax was Rs. 95.7 million (\$ 2.1 million). After providing for Tax of Rs. 29.5 million (\$ 0.6 million), the Group Profit after Tax was Rs. 66.2 million (\$ 1.5 million). Despite the stagnant revenues and decline in profits, Mastek has repaid its Term Debts and has been Cash Flow positive. The Board of Directors has pleasure in proposing a Dividend of 40% on Equity Shares.

Mastek Ltd. posted revenues of Rs. 849 million during the year 2000-2001 as against Rs. 963 million posted during the year 1999-2000.

## HIGHLIGHTS OF THE YEAR

### Enhancing offshore capabilities

During the year, we enhanced our capabilities in delivering high technology offshore projects by significant investments in Technology, Infrastructure and Quality Processes. On the technology front, we built up skills in embedded systems and have already delivered projects to customers in Germany and Japan. We also built up expertise in Microsoft .NET and Oracle Portal technologies to be ready for the growth expected on these platforms. The expansion in Navi Mumbai was delayed due to the slowdown, but would be completed in the current year.

On the quality front, Mastek got assessed at CMM Level 5 for software delivery processes as planned. Further, Mastek became the first IT services organization in the world to be assessed at Level 3 of the People CMM model - a unique distinction.

### Partnerships and Alliances

In line with our commitment to alliances and partnerships, we had two major achievements:

- Mastek has recently formed a Global Joint Venture with one of the largest management consulting firms, Deloitte Consulting, which will provide India-based software services in the areas of EAI & Applications Outsourcing. The venture is expected to leverage the complementary capabilities of the two organizations to deliver exceptional value to the Deloitte customer base. The leverage to Mastek would be the improved brand image, access to new opportunities in building competencies and knowledge base.