



*The most important thing
we make here is a difference*

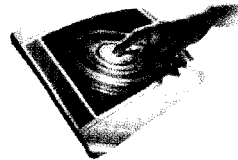
Making a valuable difference

What drives a \$79 m IT Applications Company?

Our goal is to make a difference in everything we do. We believe in adding value to every relationship and interaction.

We develop IT solutions that touch the lives of millions. We believe that IT should deliver value, boost productivity and enhance efficiency. When our solutions deliver on these counts, one of life's goals gets accomplished.

However, we believe there is more to life than just delivering the potential of IT. We seek to change the lives of as many people as we possibly can.



Where do we go from here?

The sky is the limit to what we want to achieve.

We are focused at outperforming ourselves and making a **valuable difference** to people around us.

What Customers mean to us...

We connect with our customers on a higher plane. Our relationships are rooted in synergy and longevity.

We deliver overwhelming value by embracing the vision of our customers and aligning ourselves with them.

We don't just add value, we multiply it. Our unique value proposition is the result of intense listening and responsiveness to our customers' needs.

We are as customer-centric as we are solutions-driven. Customers' feedback coupled with our proactive approach is integral to the efficacy of our solutions.

Our perception of a satisfied customer is the ROI achieved by our solution. We strive to make a worthwhile contribution by impacting the bottom line of our customers.

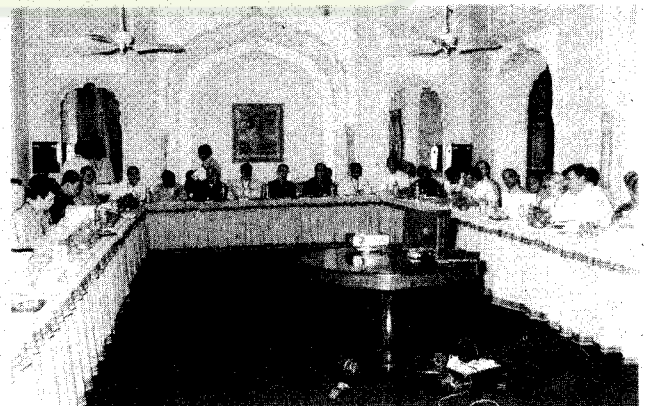
Howzzat!

Mastek plays a cricket match with a customer team.



Clicking together!

Mastek initiates an interactive session with a customer.



How do we proceed?

A meeting in progress involving Mastek's customers.

We consider our Customers to be Partners first. Our rapport with Customers is fulfilling. Customers too echo the sentiment. Over 92% of our business is repeat business.

What Employees mean to us...

We believe that our employees locally known as 'Mastekeepers' - are our most precious assets. While Mastek has evolved from humble beginnings to a multinational corporation employing over 1,800 people, the one constant has been our homegrown values.

Every year, Mastekeepers and their families go on 'Run Time'. Everybody stays together in the same hotel and travels together by public transport, including the Peon and the CMD. This reflects our core value 'Respect for the Individual'

'Run Time' offers Mastekeepers an opportunity to bond and have fun. In its tenth year, this event goes a long way towards building team spirit and camaraderie.

In keeping with the tradition of unique HR practices, this year, we have launched an innovative peer appreciation campaign on the intranet called, 'Wind Beneath My Wings'. Our HR initiatives are focused at realizing the potential of employees through regular assessment and advanced training.

We are a family!

Mastekeepers and their families at Run Time



Fun and games:

Mastek employees let their hair down at Run Time.



All the world's a stage.

Senior managers perform a skit during Run Time.

We are fiercely proud of our 'intellectual capital'. We nurture our people in conditions where they can evolve as individuals and professionals. Today, Mastek has a list of unique HR practices such as 'Run Time', 'Wind Beneath My Wings', 'Competency Development Program' and numerous awards to recognize the efforts of individuals and teams at Mastek.

What Investors mean to us...

We treat our investors as 'extended family'. We accord them with all the respect and privileges befitting their status.

Our corporate governance takes full cognizance of the faith reposed in us by investors.

Transparency, fairness, disclosure and accountability are the cornerstones of our management policy.

We are committed to being open, forthcoming and transparent about our projected revenues and profits.

Volatility at the stock market notwithstanding, Mastek shares information about earnings guidance, forecasts, holds analyst meets and conference calls for the benefit of investors.

What you see is what you get.

Investors in rapt attention at a Mastek investor meet in Mumbai.



Q&A

Mr. Ashank Desai responding to questions at an investors meet.



Site Tour

Analysts visit the Mastek Millennium Center facility.

We believe in paying back the faith of our investors. Credit Lyonnais (CLSA) in its April '03 study on Corporate Governance best practices in India placed Mastek in the top quartile amongst the corporate sector in India. We cherish this accolade as much as the trust reposed in us by investors.

What Society means to us...

At Mastek, 'thinking out of the box' means reaching out and changing the lives of people around us.

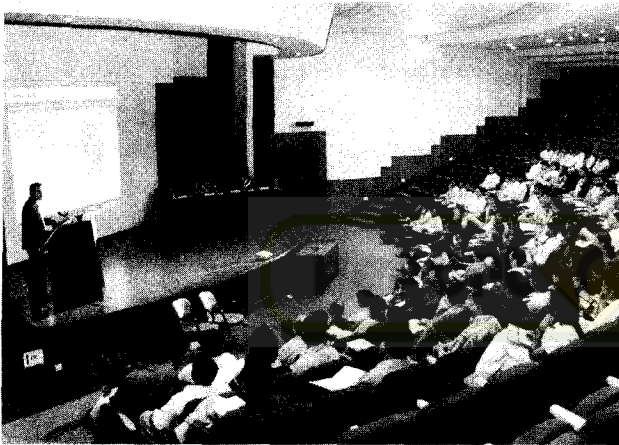
After writing over a million lines of code, we are now changing the life-script of the underprivileged sections of society.

Mastekeers organize trips to the office premises for kids living below the poverty line. The day-long program conducted in association with the NGO, 'Magic Bus' infuses hope and the desire to dream big among street children.

Also, we are adding value to IT professionals cutting across Company lines. Mastek conducts 'Knowledge Seminars' where domain gurus are invited to address the IT community and share their vision of the future.

From the podium.

A keynote lecture delivered to IT professionals at the 'Knowledge Series Seminar' in Mumbai.



Keep smiling

The Mastek team with underprivileged kids at the office premises.



Dream a little dream for me:

Street kids are trained how to use computers at the Mastek premises as part of the Magic Bus initiative.

We relish the idea of changing lives by developing applications enabled by technology. What gives us even greater satisfaction is adding new meaning to life through acts and deeds powered by noble intentions.

Indeed, the most important thing we do at Mastek is making a difference.

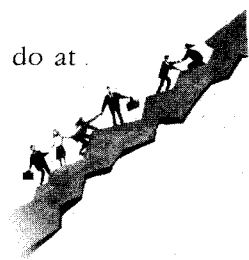
We push ourselves hard to offer incremental value to our Customers.

We accord the highest priority to the well-being of our employees and help them fulfill their potential.

We protect the interests of our investors through transparent governance.

We enjoy putting a smile on the faces of the disadvantaged sections of society.

After all, making a valuable difference in the lives of people whose paths we cross is our mission in life.



MASTEK LIMITED

MASTEK 
Making a valuable difference

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Ahmedabad - 380 006.

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Mumbai - 400 099.

Chairman's Statement



Ashank Desai
Chairman & Managing Director

Dear Shareholders,

Three years ago we made a radical change in strategy, choosing to focus on large projects and outsourcing engagements from Fortune 1000 type companies worldwide. This was done to put the growth engine within Mastek in high gear and to build a predictable business model. This strategy required patience and perseverance to take effect and our results have continued to demonstrate the success of our approach.

I am pleased that Mastek has grown faster than most other IT Services companies in a difficult year for the IT industry. We moved from the 16th rank, in 2002, to the 13th rank this year, in the NASSCOM IT Services industry survey. The year was full of accolades such as these as well as some concerns both of which I'll cover in some detail.

Mastek Group posted total income of Rs.3.8 billion for the year ended June 2003 as against Rs.2.9 billion in the previous year. The Group Profit during the fiscal year was placed at Rs. 503 million.

The Group revenues for the year as per the US GAAP were Rs.3.6 billion (USD 75.1 million). After depreciation and interest of Rs.141.2 million (USD 2.9 million), the Group Profit before tax was Rs.462.8 million (USD 9.67 million) and Profit after tax and equity in earnings of equity affiliates, the Group Profit stood at Rs 464.9 million (USD 9.71 million). The Board was happy to announce a dividend of 60% on equity shares.

Mastek Ltd posted a total income of Rs. 1.4 billion during the year 2002-2003 as against Rs.1.1 billion last year.

Highlights of the year

Executing large projects

In keeping with our strategy, Mastek maintained its track record of delivering large projects on time and within budget. To name a few:

- During the year, Mastek successfully delivered London Congestion Charging (LCC) Project for Capita of UK. LCC was a large, complex and prestigious project that involved integrating multiple vendors, multiple technologies, multiple products and multiple channels. The smooth implementation of the project demonstrates Mastek's ability to deliver mission critical applications on time.

I would like to give you an idea of the size and complexity of this interesting project. An estimated 40,000 vehicles enter central London during peak hours of 7 am to 10 am, and about 2,50,000 vehicles make 4,50,000 movements within central London during the peak time of 7 am to 6:30 pm. This led to a drop in traffic speeds to 10mph. Each day, therefore, the LCC scheme would have to handle per day 75000 licenses, 1 million images, 20,000 pages printed and 64,000 calls.

A network of fixed and mobile video cameras observes the vehicles entering or moving within the central zone. There are no tollbooths, gantries or barriers. A record of all payments made through the day by motorists wanting to drive into the charging zone can be made through multiple channels such as convenience stores, mobile phones, internet, etc.

After the system went live, central London , traffic reduced by 10-15%, queues reduced by 20-30% and traffic speeds increased by 10-15%.

- Mastek also signed a Virtual Sourcing contract with its existing customer, an Insurance Solution Provider, wherein Mastek will be the exclusive software development arm for the company. All solutions will be for the Property & Casualty segment of the American Insurance industry. This engagement is expected to generate steady annuity business over the next few years.

Winning large Accounts

Last year I spoke to you about how our focus on adding large accounts was paying off. I am happy to share that we continued that winning streak this year too by opening accounts, especially in the BFSI sector. To cite a few examples:

- Mastek won several new projects from two insurance majors in the Fortune 1000 list, based on relationships cemented during the year.
- Mastek expanded its customer base in the Financial Services space within F1000 customers. These included Fidelity, one of the largest Asset Management companies in the world, and a Life and Health Insurance major in the US. Mastek has been executing five different projects at Fidelity and has seen a noticeable ramp up since the commencement of business.
- Mastek also built a centralized channel management system for a FTSE 100 provider of financial services and insurance products in the Asia Pacific region.
- Mastek made a successful foray into the Airline segment with the acquisition of a global top five Airline in the US, as a customer.

Building for scalability

During the year Mastek commissioned its new high-tech software development centre "Mastek Millennium Center" at Mahape, Navi Mumbai. The centre has a floor space of

102,000 sq.ft with a capacity of about 800 seats. The centre is equipped with the state of art infrastructure. Mastek effectively demonstrated its ability to quickly scale up infrastructure and resources in a planned manner. The Mastek Millennium Center is now fully operational, making it necessary for us to plan for the next stage of growth. Infrastructure alone is not enough for scaling up quickly. It also requires systems and processes to be in place so that growth can happen in a planned manner, and costs are thus controlled. Our focus on continuously improving our processes has ensured that we are ready for this augmentation in business. A third component in ensuring rapid scalability is the ability to access diverse technical, managerial and behavioural competencies required for projects, at short notice. Mastek has implemented a comprehensive Competency Building Plan, which enables Mastek employees to keep themselves not just at the cutting edge of technology, but also to grow into various managerial roles required for projects and for business.

Building new partnerships

One of our strategies for rapid growth has been through the partnership route. Alliances enable Mastek to gain faster access to the market place and allow partners to provide offshore services within their customer base, thus deepening their own customer relationship. You would be happy to know that this was a landmark year for Mastek in the area of partnerships and alliances.

- Mastek's clear differentiator is its ability to establish long-term partnerships with a view to offering a unique value proposition to the partner's customer base. This was proven once again when Mastek commenced three strategic relationships with US-based majors in the areas of application development, maintenance and outsourcing services covering Fortune 1000 and mid-market customers across varying domains. These were all won through competitive situations.
- These three partners represent a Fortune 1000 HR & Technology outsourcing major, an IT Service major and a Banking Domain consultancy major Carreker Corporation. In fact, Mastek's US subsidiary Majesco Software Inc. owns 49% stake in Carretek LLC, an alliance company formed with Carreker Corporation.