

Annual Report 2003-04

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MR. RAVI KUMAR
Chairman of the Board



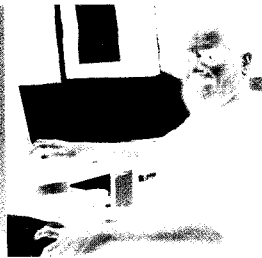
MRS. S. S. SRINIVASAN
Managing Director



BOARD OF DIRECTORS



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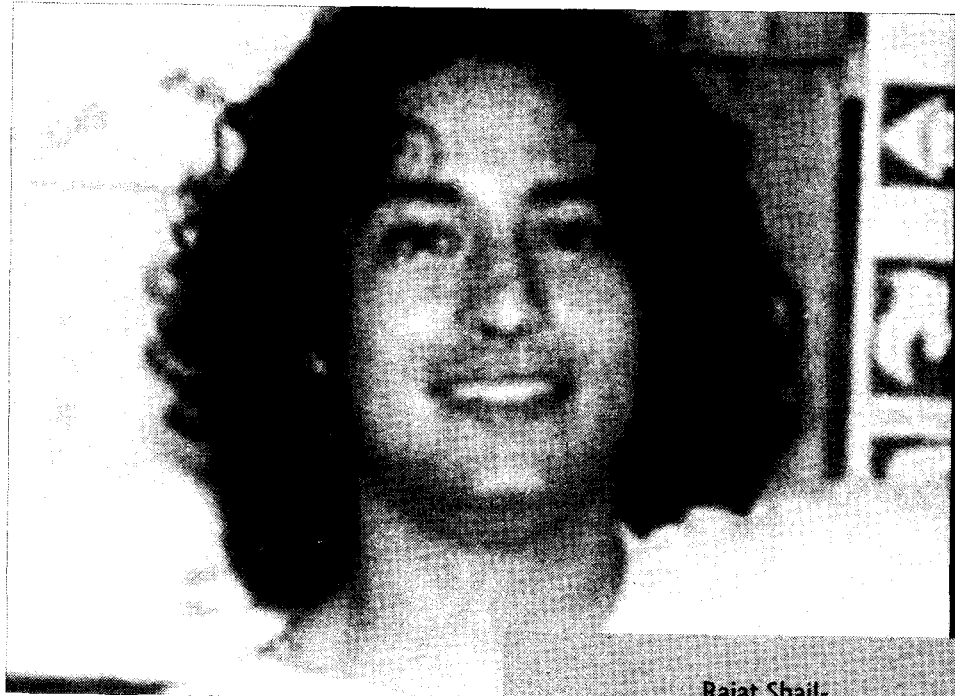


Set up indianngos.com,
a portal for social welfare

Responsible for connecting NGOs, Volunteers and Corporates to support social issues of their choice

When Sanjay Bapat was asked to address the Mastekers at the Mastek Monthly meeting, he started by remaining silent for 1 minute. There was an uncomfortable feeling in the audience as Sanjay just looked around. When he finally spoke he blurted out cold facts - "This one minute that we were quiet we have lost five girl children in India", the audience was stunned to silence as he kept on sharing some more statistics on very important issues that most of us were not even aware of.

Sanjay gave up a comfortable job with an advertising firm to set up a portal 'indianngos.com'. This portal is the first of its kind in India that connects NGOs, Volunteers and Corporates. The information that is available through this portal is supporting many corporates to plan their Corporate Social Responsibilities, this also supports individual volunteers to understand issues and choose the cause they would like to support. Slowly but steadily organisations are coming forward to support his vision.



Rajat Shail-
An IIT Student

Responsible for designing a wheelchair for the
handicapped that helps them climb stairs

When Rajat saw a close friend who was handicapped, struggle for being independent he was moved, "It is the question of dignity of the individual, they do not seek sympathy and do not want to be a burden on their family." He found that the current wheel chairs had a problem, "She had to be picked up by her parents if she had to move from the wheelchair, also she could not use most of the public places such as cinema theatres as they had steps." Most people would have stopped there, but Rajat took up the wheelchair that could climb steps as his project at IIT.

The Ascender, is a wheelchair designed by Rajat to navigate stairs and it is affordable. "It would cost anywhere between Rs. 10,000 to Rs. 15,000 which is much cheaper than the imported models which cost a few lakhs," says Rajat.



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Pravin is clear that he cannot die peacefully if there is injustice happening around him and Priti does not wish to be born into the hell that prostitute children have to live in.

It is these selfish reasons that drive this bold couple to take up a fight against Commercial Sexual Exploitation and Trafficking of children, underage girls and young women.

When they started over two decades ago, they were ridiculed by the society for getting involved in this irrelevant and unpleasant issue and were accused of loss of sense of priorities. Taking up this cause also meant taking on organised crime and the mafia, as Pravin says, "At times we were threatened with syringes filled with infected blood," but they were determined to carry on the fight." For us from day one it has been an issue of rights and not merely of welfare," says Priti.

Their dream has resulted in 'Prerna' an institution that works for actual and potential victims of commercial sexual exploitation and trafficking.



Kishor Kher
Kherwadi Social Welfare Association

“No one is really bothered with these school dropouts, there is not enough government attention and also not many NGOs are involved, I decided to make this the mission for my life.”

Kishor did what many would not even think of, he gave up a comfortable career. With over three decades of experience at senior positions with large multinationals he brings his organisational expertise to solve the problem of school dropouts.

“No one is really bothered with these school dropouts, there is not enough government attention and also not many NGOs are involved, I decided to make this the mission for my life.”

Kishor has created a unique model of attracting these teenage school dropouts to vocational training using membership to Yuvaparivartan Club. “We first get these children into activities such as physical exercise, sports and gym and then using role models from the society who have risen through difficult situations, convince them to go for vocational training and get them placed in private firms through industry partnerships with leading corporates.”



K. Yatish Rajawat-

IT Journalist of the Year

Responsible for reporting on the Indian IT Industry.

There is still a lot of ignorance about the Indian IT industry among journalists here and abroad. As an award winning IT journalist, he keeps getting requests from journalists across the world to explain the finer details of the Indian IT industry.

For instance, e-week was under the perception that Indian IT professionals are underpaid and exploited by Indian companies. He went out of his way to explain to journalists that Indian IT professionals are among the best-paid professionals in India. This helped e-week to change its stance on outsourcing and the backlash against it. Yatish has over the years emerged as a knowledge base for not only Indian journalists but journalists writing about Indian IT the world over.

"We have a great opportunity for India with the IT Industry and we should not miss this," says Yatish. He is one of the few technology journalists who have an in-depth understanding of the Indian IT Industry, not surprising, that he won the Madhu Valluri award for "IT journalist of the year."

Board of Directors

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Chairman & Managing Director

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Director

Sudhakar Ram
Director

R. Sundar
Director

Michael Cast
Director

P. G. Kakodkar
Director

Gurcharan Das
Director

Raj Nair
Director

S. D. Kulkarni
Director

BANKERS
ICICI Bank Limited
ING Vysya Bank Ltd.

AUDITORS
Price Waterhouse

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.

Chairman's Statement



Ashank Desai
Chairman

Dear Shareholders,

Mastek is well on course in its journey towards becoming a large, globally competitive software services organisation. Over the years, we have emerged as a company that specialises in executing mission-critical IT projects and a leading provider of innovative solutions for the financial services sector, particularly insurance.

In FY04, Mastek consolidated this reputation by winning critical accounts and sharpening its focus in domains where it has differentiated offerings. We also forged new alliances in strategic areas and built upon existing partnerships.

During the year, we increased our presence in the BPO arena, thereby extending our footprint beyond IT to become a complete service player.

In 2003-04, Mastek clocked a record total income of Rs. 4.1 billion (USD 91 million), an 8 percent increase over the Rs. 3.8 billion (USD 79 million) it registered in the previous year. The group's profits stood at Rs. 290 million (USD 6 million).

Significantly, we begin FY05 with a healthy order backlog of Rs. 2.7 billion, our best beginning ever.

The Year That Was: Highlights

In Europe, Mastek forged deeper ties with existing customers and partners, while simultaneously building new relationships. European operations contributed 55 percent to group revenues.

- Mastek won a GBP 35-million contract to support and develop applications for UK's National Health Service (NHS).

- In the BPO arena, we entered into a JV with Capita Group, UK's leading provider of professional support services.

MASTEK LIMITED**MASTEK** 
Making a valuable difference

-In Germany, Mastek strengthened its ties with Siemens Dematic AG, a Siemens company. For the third year in succession, the company chose Mastek for the 'Supplier of the Year' Award.

The United States continued to be a key geography, and US operations contributed 27 percent to Mastek Group's revenues.

-Mastek commenced vendor relationships with Microsoft Corporation, with pilot engagements from two of its divisions.

-It executed pilot projects for an e-commerce organisation in travel and hotels.

-There was strong momentum in key financial services accounts that Mastek won in 2002-03 such as one of the leading asset management companies, and two F1000 life and health majors.

The Asia Pacific region contributed 5 percent to group revenues with existing customers reposing their faith in Mastek with repeat business.

-Mastek commenced billing with a F1000 Financial Services conglomerate.

-It extended its relationship with a global insurance major in the areas of channel management, reinsurance and cash management in Singapore and Malaysia.

-Mastek also worked with one of the largest banks in Thailand for customisation of its new core-banking platform.

Fiscal 2004 was a very successful year for the Mastek-Deloitte joint venture DCOTG. The company registered a total income of Rs. 1.1 billion and profits of Rs. 274 million. The JV added new Fortune 500 clients from the consumer products, healthcare, retail and telecom segments. It acquired a state-of-the-art facility of approximately 50,000 sq. ft. at Powai in Mumbai, and grew its headcount by 90 percent, taking the total strength to over 600. DCOTG met all its operating objectives and revenue growth targets, and was a healthy contributor to Mastek Group's profits.

Winning mission-critical projects

Mastek has differentiated itself as a software company that can successfully deliver mission-critical projects on time and within budget. Such projects require strong IT engineering capabilities, sound project management expertise and excellent skills in designing complex solution architectures. These qualities are fundamental to Mastek.

Last year, I spoke about how we successfully executed the London Congestion Charging (LCC) project and the complexities involved in it. This year we won an equally prestigious project through our partnership with BT Syntegra. Mastek was awarded a 10-year contract worth GBP 35 million, as part of the NHS National Programme for IT. The project, which will have a far-reaching impact on the UK health system, was won against stiff competition.

The project envisages the creation of a system that will securely hold medical records of patients across UK. Clinicians and medical practitioners with proper authorisation will be able to access medical histories of patients, right from birth, with a single click at any stage of the care process.

Such projects are in line with Mastek's strategy of pursuing large multi-year contracts to ensure revenue predictability. That we have consistently won such accounts is a testimony to our ability to nurture partnerships.

Improving profitability

While pricing pressures and currency volatility have squeezed margins for many players in the Indian software industry, Mastek has focussed on improving profitability by controlling costs and increasing productivity.

As part of a restructuring exercise, we will be consolidating our US-wide operations under one roof in the East Coast, a region of strategic importance to Mastek since it is the hub of the financial services industry.

We have also reduced our support staff and moved a lot of that work offshore. Though the company's revenues grew substantially, there was no corresponding increase in headcount of support staff because of higher productivity.

Controls have been put in place to manage costs on a project-to-project basis. The idea is to make individual projects more profitable and thereby increase gross margins.