## Synergy and Harmony through time

Synergy and Harmony is aptly symbolised through a Timepiece, the flawless functioning of which necessitates perfect synergy and harmony among the numerous gears and movements. Clockwork precision results from the various parts of the Timepiece working in synergy with each other. SQL Star's key strength is the existing synergy between its Education, Consulting and Software Development services.

This synergy produces a glorious harmony.

While Synergy and Harmony symbolised by a timepiece illustrate the key strengths of SQL Star, it also reflects SQL Star's projections for the future. Moving forward in time and space.

Constantly enhancing capabilities, innovating and growing, SQL Star envisages moving towards being an end-to-end IT solutions provider in the global IT arena through high quality, timely and highly responsive business solutions.

Propelled by synergy and harmony, the Company is progressing towards its vision of being a global IT provider with International Quality standards.

# SQL Star's Vision

To be a global Information Technology Solutions
Provider company with International Quality Standards
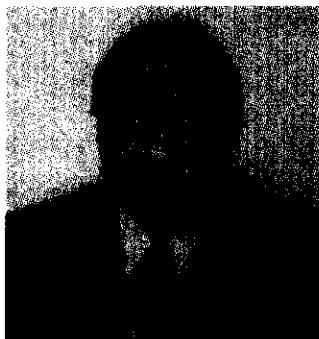
# SQL Star's Quality Policy

"We at SQL Star, shall constantly strive to achieve
total customer satisfaction
by providing state-of the-art products and services
on time - right first time"

# Contents

# Chairman's Message



Dr. Ramaswamy P. Aiyar (62) has a Master's degree in Industrial Engineering and a Ph. D. in Industrial Management. He is at present Advisor to the Institute of Financial Management and Research and the Academy for Management Excellence in Chennai. He was Director of the Indian Institute of Management, Calcutta (IIMC) between 1981 and 1992. He has taught courses on Information Systems and Strategic Management at IIMC and other institutions. He has also been associated with the development and implementation of Information Systems for over three decades. Dr. Aiyar has been on the Board of Directors of public and private sector companies like HMT, MECON, Hindustan Zinc and HCL and has also been associated with a few important government committees.

## Dear Shareholders, Employees and Business Partners,

It gives me great pleasure to be presenting to you all, the Company's Thirteenth Annual Report (the first, after the Company went Public in 1999) highlighting its activities during the year 1999.

We are indeed living in exciting times. I am personally happy, to be a part of a revolution that is taking place in India. A revolution, that promises to change the face of the country in the years to come. Dear Shareholders, I am referring to the IT revolution. My colleagues and I on the Board of this Company have been in the IT field for over 30 years now. Yet there has been no let up in the excitement. We are all equally excited about the prospects that the future has in store for us. India has the capabilities to succeed in this knowledge era and Information Technology has the potential to catapult India to one of the leading economies of the world. Indian IT industry has come a long way and is expected to touch Rs. 36,000 crores * in revenue in the year 1999-2000.

## An Eventful year at SQL Star

A unique aspect about SQL Star, is the close synergy between the Education, Consulting and Software divisions and the resultant Harmony that is produced through such synergy. This business philosophy forms the basis for all of SQL Star's activities. SQL Star has been always looking at ways to move up the value chain and adapt to the changing demands of the market. The company believes that it is only 'Quality' and 'Speed' that will distinguish it in the marketplace. The company as you all know, went Public in June '99. The year was eventful for the company in many ways. Four new Education Centres have come up, taking the total number of 'Authorized Training Centres' to ten in the country. This is expected to strengthen the Education Division and yield dividends in the year 2000.

The Consulting Division has entered into an alliance with Oracle to be its partner in Customer Relationship Management (CRM) and Data Warehousing.

The Software division too, is focusing on Internet Technologies and sees great opportunities here. The division has got the necessary expertise in areas like web enabling of legacy systems and in projects centered on the Internet. It is fully equipped to exploit the huge opportunities in new areas like E-business and is looking forward to empower the dotcom revolution. The company's US Centre has now grown into a full-fledged offsite development centre. The Singapore centre is making inroads into neighbouring economies like Malaysia and Indonesia by getting new clients for the company.

The company is also looking at leveraging its existing skills by forming long-term relationships with successful organizations across the world. A beginning was made, when SQL Star initiated steps to take a stake in US based Solution Technology International Inc., a Delaware Corporation involved in providing solutions to the Insurance Industry. SQL Star sees tremendous potential in this company and the industry. The company has also appointed a consultant to explore more such opportunities for strategic investments.

The company's revenues in the year 1999 grew more than 33% over the year 1998. Profit margins were not as high, since most of the projects were commissioned in the year 1999 and this entailed higher expenditure. The potential benefits of the new education centres opened during 1999 will be felt only in the year 2000. The Singapore Centre too, is expected to be a full-fledged development centre during the course of the year 2000. The Software development centre at Info City, Hyderabad will be operational in the latter part of the year 2000 and is expected to help the company greatly.

Year 1999 was a year of planning, setting up of infrastructure, expanding and consolidating. The year 2000 will see the company deriving the benefits of the work put in during the last year. Year 2000 will also be a year of growth. I am confident that the company will realize all its plans during the year 2000 and that it will turn out to be profitable, both for the company as well as its shareholders.

I wish to take this opportunity to reiterate the fact that Information Technology will play a greater role in our lives with each passing day and that the company will leave no stone unturned in its efforts to derive the maximum benefit that this industry has to offer.

I thank all shareholders, alliance partners, financial institutions and employees of this company for all the support given in the past and hope for their continued support.

Thank you,

**Ramaswamy P. Aiyar**
Chairman

* NASSCOM Report on IT Industry in India

4

# Company Information

## Board of Directors

**Dr. Ramaswamy P. Aiyar**
Chairman

**Dr. Ashok Kumar Agarwal**
Managing Director

**Mr. Brij Kumar Tankha**
Whole-time Director

**Mr. Satish Kumar Arora**
Director

**Dr. Kishore B. V. Buddhiraju**
Director

**Mr. Pradeep Gupta**
Director

**Ms. Janet E. Mellor**
Director

**Mr. Subhash C. Bhatia**
Director

**Mr. Rahul Gupta**
Director (Nominee of RCTC)

## Bankers

State Bank of India,
Overseas Branch, Vijaya Building
Barakhamba Road, New Delhi-110 001.

## Auditors

M/s. Arora Aggarwal & Associates
Chartered Accountants
75/ 3, Link Road, Lajpat Nagar - III
Near Moolchand Hospital, New Delhi-110 024.

## Registered Office

2nd Floor, Andhra Association Building,
24 - 25, Institutional Area, Lodhi Road
New Delhi - 110 003.
Ph: 011-4601539, 4602904 Fax: 011-4601597

## Corporate Office

### Delhi

2nd Floor, A - 38 B, Kailash Colony
New Delhi - 110 048.
Ph: 011-6224047/6225847
Fax: 011-6224175
E-mail: sqlcorp@sqlfin.sql.stpn.soft.net

### Hyderabad

6 - 3 - 1092/93, NIAR Building
Raj Bhawan Road, Somajiguda
Hyderabad - 500 082.
Ph: 040-3303908/3305207
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## Other Offices

### Overseas Offices

### USA

SQL Star International Inc.,
1265, East El Camino Real,
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E-mail: pradeeps@sqlstarintl.com

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E-mail: gulati@sqlstar.demon.co.uk

### Singapore

International SQL Star Pte. Ltd.
51 Anson Road, # 08-53, Anson Centre
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Ph: +065 2270052
Fax: +065 2271730
E-mail: rajam@sqlstarintl.com

## Software Development Centres

### Gurgaon

301-A, Software Technology Park
Electronic City, Sector-18
Gurgaon -122 015. India
Ph: 0124-343601-604
Fax: 0124-343606
E-mail: krishanl@sqlstarintl.com

### Hyderabad

Software Technology Park, 504 Maitrivanam,
HUDA Complex, Sanjeeva Reddy Nagar
Hyderabad - 500 038., A.P, India
Ph: 040-3736313
Fax: 040-3734687
Email: krishnar@sqlstarintl.com

**SQL**
INTERNATIONAL

## Education Centers

### New Delhi I

2nd Floor, Andhra Association Building
24 & 25, Institutional Area, Lodhi Road, New Delhi - 110003
Ph: 011-4601539, 4602904
Fax: 011-4601597
Email: sqlint@del2.vsnl.net.in

### New Delhi II

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### Hyderabad I

4, Motilal Nehru Nagar, 1st Floor, Begumpet,
Hyderabad - 500 016. A.P., India.
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Fax: 040-7761921
Email: sqltrng@sql.stph.net

### Hyderabad II

303, 3rd Floor, 6-3-639/640, Khairatabad
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Email: sqltrng1@sql.stph.net

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Dalhousie, Calcutta - 700 001
Ph: 033-248 5402/6302
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Email: sqlstar@sqlstarintl.com

### Bhubaneswar

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### Chennai

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36, Nungambakkam High Road
Chennai - 600 034.
Ph: 044-825 2136/2067/2013
Fax: 044-825 2209.
E-mail: bmchn@sqlstarintl.com

6

# Other Members of the Board

### Dr. Ashok Agarwal,
Managing Director

MS and Ph.D. in Operations Research, University of Minnesota.

Dr. Agarwal has over 30 years of experience in the IT industry. In his long and distinguished career prior to SQL Star, Dr. Agarwal has been with Bell Labs, Visiting Faculty at Northeastern University at Boston, Ford Fellow at MIT and University of Minnesota and Professor of Computer Sciences and Management Information Systems at IIM, Calcutta. Dr. Agarwal has extensive experience in Software Product Development Methodologies and is responsible for SQL Star's growth.

### Mr. Brij Tankha,
Whole-time Director

MS in Computer Science, from USC, MS in Management Science, from West Coast University.

M. Brij Tankha has over 30 years of experience. Among the many distinguished posts that he held were, a stint with Xerox Corporation as Consultant, as Consultant to the Planning Commission of India, as Project Advisor to State Trading Corporation and as Finance Head in the Operation Flood program in India. He is the co-promoter of SQL Star.

### Dr. Kishore B V Buddhiraju
Ph.D. in Operations Research, Wharton School, USA.

Dr. Buddhiraju has over 30 years of experience in Computer Software development. He was earlier Professor of MIS and Operations Research at IIM Calcutta. He is currently Managing Director of SEEC Asia Technologies (P) Ltd., a subsidiary of SEEC Inc., USA involved in Software Production.

### Mr. Pradeep Gupta,
Director

M.Tech- IIT, Delhi, MBA- IIM, Calcutta.

Mr. Pradeep Gupta has over 20 years of experience in the Information Technology Industry. He is the Managing Director of Cyber Media India Limited, the publishers of popular IT magazines like 'Dataquest' and 'PC Quest'. He is also Managing Director of IDC (India), a subsidiary of IDC (USA) involved in conducting Market Research in Information Technology.

### Mr. Satish Arora
M.Tech, IIT-Mumbai, M.Sc.-UK, Fellow, British Institute of Management

Mr. Satish Arora has over 30 years of experience in Information Technology. He has 17 years of experience at Shell group of Companies in Information Technology in senior positions. He is the founder of SQL Star International and Information & Computing Services (I&CS) in UK, and is currently the Managing Director of these companies in the UK.

### Mr. Subash Bhatia
B.Sc. - Electrical Engineering, PGDMM - Delhi University.

Mr. Subash Bhatia has over thirty years of IT Industry experience. He has worked for over 20 years in IBM India and also worked at IBM, USA for three years. He is the Founder and President of Key Management Group Inc., USA.

### Ms. Janet Mellor
D.Sc. - Sociology, University of London

Ms. Janet Mellor has been with Shell International as Senior Systems Executive. She is currently Director of Information & Computing Services (I&CS), UK. She is on the Board of SQL Star International Limited, UK and International SQL Star Pte. Limited, Singapore as Director.

# Senior Management Personnel

### Mr. Rakesh Kumar Gupta
Vice President, Software Division
B Tech (Mechanical Eng.); PGDM (IIM-A)

Mr. Rakesh Gupta (40) has over 15 years of experience in marketing and business development and has worked with Companies like L&T, Tata Unisys, General Electric, Mahindra British Telecom and Kalyani Software before moving to SQL Star International Limited in 1997. He heads the Software division. His strengths are in setting up new companies, managing overseas branches and working with large work groups.

### Mr. Ramlal
Vice President, Education and Consulting Divisions
B.Sc. Hons. (Maths) MS (Operations Research)

Mr. Ramlal (37) has been with the company since 1987, having joined as Software Engineer. He had a brief stint with A.F.Ferguson & Co. in their Management Consulting division before he joined SQL Star. He currently heads the Education and Consulting divisions and oversees the activities of these divisions across all SQL Star Centers. Mr. Ramlal's strengths are in Planning, Operations and Communications.

### Mr. Raja Mitra
Head, Singapore Operations
B Tech (IIT KGP); PGDM (IIM-C)

Mr. Raja Mitra (42) has over 17 years of valuable experience working with several Indian and multi-national IT companies involved in Consulting and Information Technology. He heads the Singapore operation and is also responsible for expansion into neighboring economies like Malaysia, Indonesia and so on.

### Mr. Deepak Garg
Vice President, Strategic Alliances
B Tech (IIT- Kanpur) and PGDM (IIM-A)

Mr. Deepak Garg (39) heads the marketing operations at SQL Star, USA. He is responsible for identifying new business opportunities and strategic alliance partners for SQL Star. He has over 14 years of experience in the IT industry and has set up and run his own business venture before joining SQL Star in 1998. He has a sound understanding of Operations, Human Resources, Administration and Corporate Communications.

### Mr. Pradeep Shenoy
Vice President (US Operations)
BE (Mechanical Engineering, REC-Trichy) and PGDM (IIM-C)

Mr. Pradeep Shenoy (39) has over 14 years of experience in Sales and Marketing and Profit Center Management in the IT, Consumer Electronics and Service industries. He was also associated with Education and Training activities at SQL Star while at India. He is currently based at the US and heads the US operations.

### Mr. Krishan Lal
Executive Vice President, Software Division, Gurgaon

Mr. Krishan Lal has over 21 years of experience including 19 years in the field of Information Technology and Management. He has experience in heading off-shore software development operations in two different US based organizations, establishing and then heading operations of an Indo-Japanese Joint Venture in training, software development and consulting from the grassroots and planning & computerization of various business and commercial applications at a major engineering and manufacturing public sector company.

Mr. Krishan Lal also has over 6 years of professional experience in Project Estimation, Project Management, Requirement Analysis, Designing, Development, Client/User Interaction, Testing Implementation. He is responsible for the activities of the software development centre at STP, Gurgaon.

### Mr. K. V. Krishna Rao
General Manager, Software Division, Hyderabad
M.Sc. - Nuclear Physics, University of Mumbai

Mr. Krishna Rao has over 19 years of experience in the Industry, having worked with organizations like Cement Corporation of India, Telecom Consultants India, Bureau of Economics and Statistics, AP Technology Services Limited, Bhadrachalam Paper Boards Limited and Hindustan Organic Chemicals among others. He has rich experience in Software design, Development, Implementation and Maintenance of various applications. As General Manager at SQL Star's Software Division at STP Hyderabad, he is responsible for quality and timely delivery of software services.

### Mr. B. Sridhar
B.Com(Hons), ACA, ACS

Mr. Sridhar (39) has over 15 years of experience with companies like KRIBHCO, Coromandel Fertilizers, Unicorn Organics, Modi Xerox and Mohd. Jalal & Sons. As General Manager-Finance, he heads the Corporate Finance function at SQL Star.

8

Computers in India were basically viewed as tools that enhanced productivity at the workplace. It was only in the mid-eighties that economists and experts began to understand that India had good software talent and that this was an area that would witness rapid growth. Yet, none had imagined, that over a period of time, Indian software industry would be one of the fastest growing sectors in the Indian economy and that it would bring in significant foreign exchange into the country. Nobody ever thought Indian software professionals would be sought after in every part of the globe. Though the growth has not happened overnight, India has every reason to be proud of the place that it enjoys in the global IT arena.

The key trends that have characterized the global IT industry are the growth of the market economy, globalization, falling communication and transaction costs and the evolution of new technologies in finance like Venture Capital, Stock Options, etc. India has caught on to this global trend at a pace that is astounding. The Indian IT industry has been estimated to have earned revenues of Rs. 24,781 crore* or US $6.1 billion in the year 1998-99, a growth of 32.79% over the previous year. Close to 65% of Indian IT industry's revenue was contributed by the Indian Software Industry. IT training segment grew at over 32.7% with revenues of Rs. 1,250 crore in 1998-99. The SOHO segment and high-end certifications contributed a significant portion of the total IT training industry's revenues. This high growth rate has been achieved inspite of a slow growth in Indian economy, the uncertain political situation and a not so healthy GDP growth.

## Advantage India

Significantly, the government, realizing the huge potential of IT, created a National Task Force in the year 1998. Following the recommendations of the Task Force, the Government announced a series of initiatives to give a boost to the IT industry. Today, for the first time, we have a Ministry exclusively for Information Technology. All this augurs well for the Indian IT industry. With even State Governments pitching in, one could safely assume that an IT wave has hit the country, capturing the imagination of one and all.

India has a large base of highly talented professionals. India currently has the second largest pool of English speaking people in the world. Indian companies have succeeded in the world markets because of their adherence to strict time schedules, cost-effectiveness and high quality of work. More than half of India's top 300 software companies have already acquired International Quality certification. Out of the 16 companies having SEI CMM Level 5 maturity model in the world, 10 are located in India. Indian companies played a major role in the millennium bug-Year 2000 problem and the smooth transition into the Year 2000 is a standing testimony to the efforts of Indian software professionals across the world. Over the last decade Indian Software Industry has grown, from a mere US $50 million in 1988 to US $3.9 billion in 1998-99*. Experts feel that the true potential of India's Software Industry has not been tapped yet and a lot more would be expected of it in the years to come.

### The Future of Indian IT Industry

A study conducted by Mckinsey for NASSCOM states that Indian IT industry has tremendous potential. With more and more Indian IT companies listing themselves on the NASDAQ, things couldn't be better for the Industry. The global financial community has started showing great interest in Indian IT companies. Indian Software Industry alone, is projected to earn US $5.7 billion in 1999-2000, which is a growth of approximately 50 per cent over the 1998-99 figure of US $3.9 billion. This will consist of revenues worth US $6.32 billion in software exports and US $2.53 billion from the domestic market. As per the NASSCOM-Mckinsey survey, the Indian IT Software and Services market is further expected to grow to US $8.85 billion (Rs.38, 500 crore) in the Financial Year 2000-01.

As expected, the latter half of the last year saw a decline in Y2K related projects in the country. This slowdown was offset by new opportunities created in growth areas such as e-business and IT enabled services, which accounted for almost 16% of the export revenues, generated in the second half of 1999. Most Indian software

*NASSCOM