

Unleashing the potential within.

ZENSAR TECHNOLOGIES LIMITED

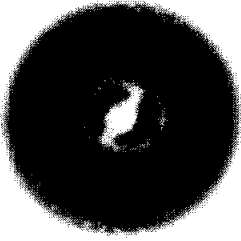
Annual Report 2001-02

Zensar's drivers of growth lie within. Our enduring client relationships. Our domain knowledge and expertise built over 10 years and across 100 clients.

Our evolving business consulting strengths. And at the heart of it all, the collective will and skills of over 1000 Zensarians.

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Chairman's Overview



A changed world and a changing market

Global terrorism has overshadowed not just the agenda of governments and the everyday life of the common man, but transformed the very fabric and nature of business. The always-connected global village and free movement of people and information are under threat. The IT revolution that propelled the last quarter of the 20th Century now has to reinvent itself to meet the demands of the 21st.

Organisations now have to build super-robust IT infrastructures that will withstand every doomsday scenario imaginable. Business Continuity challenges the IT outsourcing and offshore models unless vendors too invest in fail-safe infrastructures and evolve new methodologies of software services that address the issue of security head on.

Zensar's senior management has evolved a highly accessible bridge to key client representatives - from pre-sales through delivery to the entire client relationship.

Obstacles can become opportunities

Yet, these obstacles can only create newer avenues of growth. As technology budgets will be called upon to achieve larger corporate goals, contracts will go to the versatile, flexible and cost-effective vendor. The pace of change now means that IT as a competitive differentiator is now the domain of not just Fortune 1000 multinationals. Mid-sized companies in Europe, South East Asia, and elsewhere are now seeking vendors who deliver consulting

and implementation without the cost of a Big 5 Consultancy. They need vendors who understand their business needs and are able to develop and implement roadmaps at high speed and low cost.

All this augurs well for Zensar. Our vertical focussed strategy evolved last year is gaining momentum and winning us business of a different kind, of a higher value. Cost-effective ways of solution architecting and development such as Solution BluePrinting hold the promise of delivering quality solutions within stringent time-frames so desperately needed by today's time-challenged corporations. We have seen the value of Zensar's Consulting and Software solutions in our own Group's manufacturing and retail companies and are confident that Zensar's global clients will also appreciate the difference.

Leveraging Client Relationships. From project to partnerships

Zensar's focussed efforts to protect margins and grow business are slowly but surely paying dividends. As clients cut back on the number of vendors they deal with, the ones that stay are those with a greater understanding of client needs and a greater lock-in in terms of consistent deliverables, quality and client knowledge.

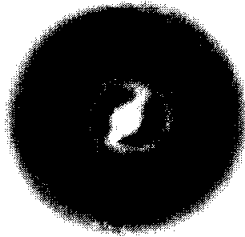
Zensar has been scoring high on all these counts with its 100+ client base. Zensar's senior management has also evolved a highly accessible bridge to key client representatives from pre-sales through delivery to the entire client relationship. This is ensuring greater value-add and client comfort.

The value scenario for shareholders

Zensar today has a clear vision, an outstanding management team led by Ganesh Natarajan and well defined Domain and Practice areas. This, coupled with our geographical spread, enhanced people and technology productivity and intellectual property development, should enhance and protect value over the near and medium terms.

Harsh Goenka

Chairman of the RPG Group, a 1.4 billion US Dollar conglomerate with interests in power, entertainment, retail, telecom and information technology.



CEO's Review

It's been a tough year, but we have emerged victorious

The last year had been a period of unprecedented economic and business uncertainty. The software industry in India and abroad witnessed many business failures and instances of steep decline in revenues and profits. Zensar took proactive measures on several fronts to avoid a similar fate and successfully completed a transformation of business focus that has helped us to come through with a satisfactory topline and bottomline. Despite the downturn, the Company performed creditably and remained healthy and profitable.

We have come out leaner and stronger with a derisked business model

We take pride in the fact that we have ended the year as a much stronger Company with a great product and service portfolio, an excellent management team and the confidence to face the challenges an uncertain business environment may provide. This has been achieved through business innovations, geographical derisking and new client acquisitions throughout the year.

The implementation of a Practice based Delivery model and the realignment of the sales force into the key verticals of Retail & Manufacturing, Financial Services, Telecom & Utilities have helped in providing a sharper focus and given us a unique positioning where customers and prospects ask us "Who is your competition?" rather than "How are you different?"

Solution BluePrinting: Cutting Time and Cost of Development

Sometimes, the best innovations happen when the times are tough. This is best illustrated by our radical Solution BluePrinting (SBP) approach. Clients all over the world are under increasing pressure to implement software solutions faster and cheaper. Our Technology Innovation Group has risen to the challenge and taken our strategy to re-use solution components a giant step further. They developed a method to build or re-use existing frameworks where the entire solution could be visually modeled, and the code generated and tested - all automatically.

**The worst is behind us.
The Indian industry,
and Zensar have turned
the corner.**

With timesaving of up to 30% and cost savings of up to 50%, we expect Solution BluePrinting to give Zensar a decisive edge when pitching for fresh development and migration projects.

Moving up the value chain with Knowledge Management

Zensar has achieved growth in the Consulting and Knowledge Management (KM) sphere. New clients such as United Utilities, UK (world's second largest Utility) and Ingersoll Rand, Asia Pacific (one of the leading manufacturers of industrial and commercial equipment and components) enlisted the Company as their KM and e-Transformation consultant.

Zensar has rolled out a proprietary KM portal called K-Zen where IT professionals can contribute and download knowledge objects. This has also become our strategic differentiator in approaching new clients in the key verticals of Financial Services and Retail. Our successful completion of a 'KM in 30 Days' project for United Utilities bears testimony to our capabilities in this area.

Broad-basing our market reach

A key strategy was to make Zensar less dependent on the US market. The Company has been gaining new ground in South-East Asia and the Middle East. Hyperlink in UAE, American Insurance Group (AIG) in Malaysia and Philippines and Credit Suisse Private Banking (CSPB) in Singapore are few of the new clients acquired last year. The yearly sales distribution clearly illustrates this trend:

USA – 50%

Europe – 29%

Rest of the world (RoW) – 21%

The Company's endeavor in entering the Chinese markets through a joint venture with a subsidiary of Asia Logistics has progressed well. This Chinese connection is being leveraged by Zensar in making value propositions to its existing clientele in USA and Europe, who are interested in spreading their operations in this untapped market.

Business update

The Company has added 34 new clients this year, while strengthening the existing client base. The continuing profitability of the Company is due, in no small measure, to the growing business from the existing Offshore Development Centres (ODCs) run for *Cisco, Transco, Fujitsu, P&O Nedlloyd and Sprint*. During the year, we added CISCO in Australia and Japan to our portfolio and significantly strengthened the ODC Value proposition.

**Solution BluePrinting.
Our new cost and time-cutting
weapon for software
development projects.**

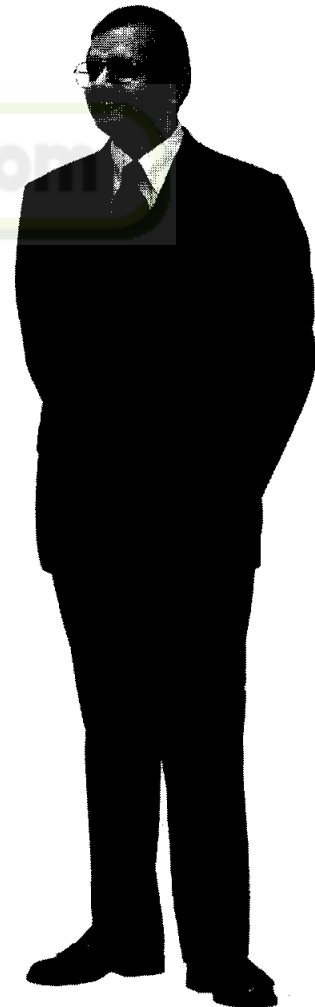
The last quarter added new clients such as AskMe Enterprises (a leader in enterprise knowledge-sharing solutions) and Global Payments (one of the largest commercial transaction processing service providers) to our growing portfolio of Offshore clients.

The Zensar team takes pride in its achievements and is looking forward to its tryst with global success that is planned for the coming years.

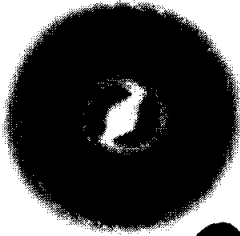
Looking ahead

The key focus for the year 2002-03 will be to strengthen the value propositions in the Retail and Financial Services verticals. We are also taking steps to realign the Service Delivery teams into five Practice Groups – Consulting, Package Implementation, Custom Solutions, Application Management and Program Management. Investment in IPR and methodology creation in each of these areas and expansion of our delivery infrastructure will further strengthen our position in the competitive landscape. With all territories continuing to focus on profitable offshore businesses, new initiatives are being planned in China and Germany during the year.

These are tough times but we continue to hold our heads high. With our proven track record of successfully winning business even when pitted against the best of Indian and international Software majors, the quality of our processes and teams and the strength of the Five 'F' (Fast, Focused, Flexible, Friendly and Fun) Framework that is the cornerstone of our business approach, we are raising the bar all the time with the confidence that we can and will achieve our goals.

**Ganesh Natarajan**

Deputy Chairman & Managing Director
Zensar Technologies Ltd., a Joint Venture Company
of RPG Group and Fujitsu Services



Directors' Profile



H.V. Goenka, Chairman

Mr. H.V. Goenka is an MBA from the International Institute for Management Development (IMD) Geneva, Switzerland. Mr. Goenka is a leading industrialist heading the US \$ 1.4 billion RPG Group, which has interests in tyre, power, retail, communication, life sciences, information technology and entertainment. He is on the Board of several RPG Group companies and the State Industrial and Investment Corporation of Maharashtra Ltd. (SICOM). Mr. Goenka is also a Member on the Foundation Board of IMD, Switzerland.



Tim Escudier, Vice Chairman

In April 2002, Mr. Escudier was appointed Business Unit Director for the EMEA business within Fujitsu Services (formerly ICL). Previously, he was Group Executive Director responsible for the profitable growth and development of ICL's Projects and Professional Services Division. He is also a member of the Board for: Fujitsu-ICL Espana SA; Fujitsu Australia Ltd; Fujitsu Asia Pte Ltd. Prior to joining Fujitsu Services, Mr. Escudier had been Vice President for Wholesale and Retail Banking Division world wide at Unysis. He has also worked with Hambros Bank, Johnson Matthey PLC and the Australia and New Zealand Banking Group. Mr. Anthony Pipe is Alternate Director to Mr. Escudier.



Ganesh Natarajan, Deputy Chairman and Managing Director

Mr. Ganesh Natarajan is an Industrial Engineer, with a versatile experience in senior management positions for over 20 years. Before joining Zensar, Mr. Ganesh Natarajan was the global CEO and Managing Director of Aptech Limited. He is one of the leading lights of the Indian IT industry. He has served two terms on the Executive Committee of NASSCOM. Currently, he is the President of the Maharashtra Council of CII.



A. N. Agrawal, Director

Mr. Arvind Agrawal is an IIM (Ahmedabad) alumnus, specializing in Marketing and Human Resource Development. After spending 12 years in the HR function in Escorts and Modi Xerox, he switched over to TQM at Modi Xerox, and then went on to take charge of Corporate Strategy and Marketing. Currently, he is the President – Corporate Development and Group HR for RPG Enterprises. He was awarded the National HRD Award in 1992. He is also the President of the National HRD Network.



R. A. Chamberlain, Director

Mr. R. A. Chamberlain, a Fellow of the Institute of Chartered Accountants (England and Wales), has extensive international management experience and a long association with India. He is currently the Director EMEA of Fujitsu Services Limited [formerly International Computers Limited (ICL)]. Over the years, Mr. Chamberlain has actively promoted the capabilities of the Indian software industry within and outside Fujitsu Services Limited.



P.K. Choksey, Director

Mr. P.K. Choksey brings vast industrial and managerial experience to Zensar Technologies. A Chartered Accountant and a former senior partner of Price Waterhouse, Mr. Choksey is currently the Chairman of Foseco India Limited and Sericol India Private Limited. Mr. Choksey is also on the Board of several companies including Ashok Leyland, Indian Aluminium and Kesoram Industries.



P.Y. Karnik, Director

Mr. P.Y. Karnik is a Chemical Engineer from the Indian Institute of Technology, Chennai. He has extensive experience in senior managerial positions in the financial sector for about 20 years. He has played a stellar role in establishing two of India's leading venture capital funds.



Nirmalya Kumar, Director

Dr. Nirmalya Kumar is a Marketing and e-Commerce Professor at the International Institute for Management Development (IMD) in Switzerland. He is also Visiting Professor for Marketing at Harvard Business School and London Business School. Prof. Kumar holds a PhD in Marketing from Kellogg Graduate School of Management. His experience includes working with over 40 Fortune 500 companies including IBM, Sara Lee and Akzo-Nobel and internet and IT companies such as AOL and Siebel Systems.



P.K. Mohapatra, Director

Mr. P.K. Mohapatra is the President and Chief Executive, IT and Telecom Business and member of the Management Board of RPG Enterprises. He oversees the management of all IT and telecom companies in the RPG Group. Mr. Mohapatra is a Chemical Engineer, a Management Graduate and AMP from Harvard Business School. He was nominated to incubate RPG Group's foray into organised retailing and pioneered organised retailing in India through Foodworld, Musicworld and Health & Glow. Mr. Mohapatra co-authored CII McKinsey report 'Retailing in India - The Emerging Revolution'. He is currently Chairman of CII Tamil Nadu.



A. T. Vaswani, Director

Mr. A. T. Vaswani has held senior posts in several multinational corporations. A Chartered Accountant and Chartered Secretary, Mr. Vaswani joined the Company in 1995 after serving as Director on the Board of Glaxo India Limited. Mr. Vaswani joined as Vice Chairman and accomplished the restructuring of the Company.



Management Team



Sunil Kunte
Chief Operating Officer



Ajit Dubhashi
Chief Financial Officer



Bala Narayan
Head - Human Resources



Ganesh Natarajan
Chief Executive Officer



Aamod Wagh
Head Operations,
(Asia - Africa)



Mukul Agrawal
Head-Package Solutions
& BFI Vertical



Vivek Gupta
Head-Administrative Operations
and BFI & TU Verticals,Americas