

HOW WE RE-DISCOVERED THE  
**ZEN**  
IN ZENSAR

ANNUAL REPORT 2002-03

ZENSAR TECHNOLOGIES LIMITED

**BOARD OF DIRECTORS**

H. V. Goenka, Chairman

Tim Escudier, Vice Chairman

Ganesh Natarajan, Deputy Chairman and Managing Director

A. N. Agrawal

R. A. Chamberlain

P. K. Choksey

Nirmalya Kumar

John Levack

P. K. Mohapatra

A. T. Vaswani

Anthony Pipe, (Alternate Director to Mr. Escudier)

**COMPANY SECRETARY**

Dileep Deshpande

**BANKERS**

ABN AMRO Bank N.V

Standard Chartered Bank

**SOLICITORS & ADVOCATES**

Crawford Bayley & Co.

**AUDITORS**

Price Waterhouse, Chartered Accountants

**REGISTERED OFFICE**

Mile Post no. 4, Nagar Road,

Pune 411 014

**REGISTRAR AND SHARE TRANSFER AGENTS**

Sharepro Services

Satam Estate, 3rd Floor

Cardinal Gracious Road, Chakala,

Andheri (East),

Mumbai 400 099

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# VISION

A GLOBALLY SUCCESSFUL  
SOFTWARE ORGANISATION,  
DRIVEN BY PASSION AND  
EXCELLENCE, WITH WORLD-CLASS  
PROCESSES AND PEOPLE.

## VALUES

### **CUSTOMER SOVEREIGNTY**

Our customers are the reason for our existence. We anticipate their needs and endeavor to meet and surpass their expectations.

### **PASSION FOR EXCELLENCE**

We will strive to attain individual and team excellence through a spirit of continuous learning, lofty standards, new ideals and a commitment to high levels of achievement.

### **CONTINUOUS INNOVATION**

We aspire to seek and create a 'new way.' We will continuously reengineer our processes and mindsets and encourage individual creativity and improvisation in all our actions.

### **TRANSPARENCY AND INTEGRITY**

We will nurture a culture of spontaneity and mutual trust. Impeccable ethics and morals will be the cornerstone of all our interactions and relationships.

### **PEOPLE ORIENTATION**

We will accord empathy, respect and dignity to every Zensarian. We will create an environment where every committed and capable member of the organization is given ample rewards and opportunities for growth.

### **SOCIAL RESPONSIBILITY**

We will recognize, abide by and add value to the social environment, while embracing our responsibilities as a good corporate citizen in every country we operate.





## CHAIRMAN'S OVERVIEW

# I HAVE A DREAM...

Harsh Goenka, Chairman

THESE ARE DIFFICULT TIMES FOR THE SOFTWARE INDUSTRY - IN INDIA AND ABROAD.

In this environment, no company can succeed if it puts its head in the sand and refuses to recognize current realities - shrinking IT budgets, falling rates in IT and IT-enabled services and an extreme pressure on Indian firms to deliver higher and higher levels of quality for lower and lower realisations.

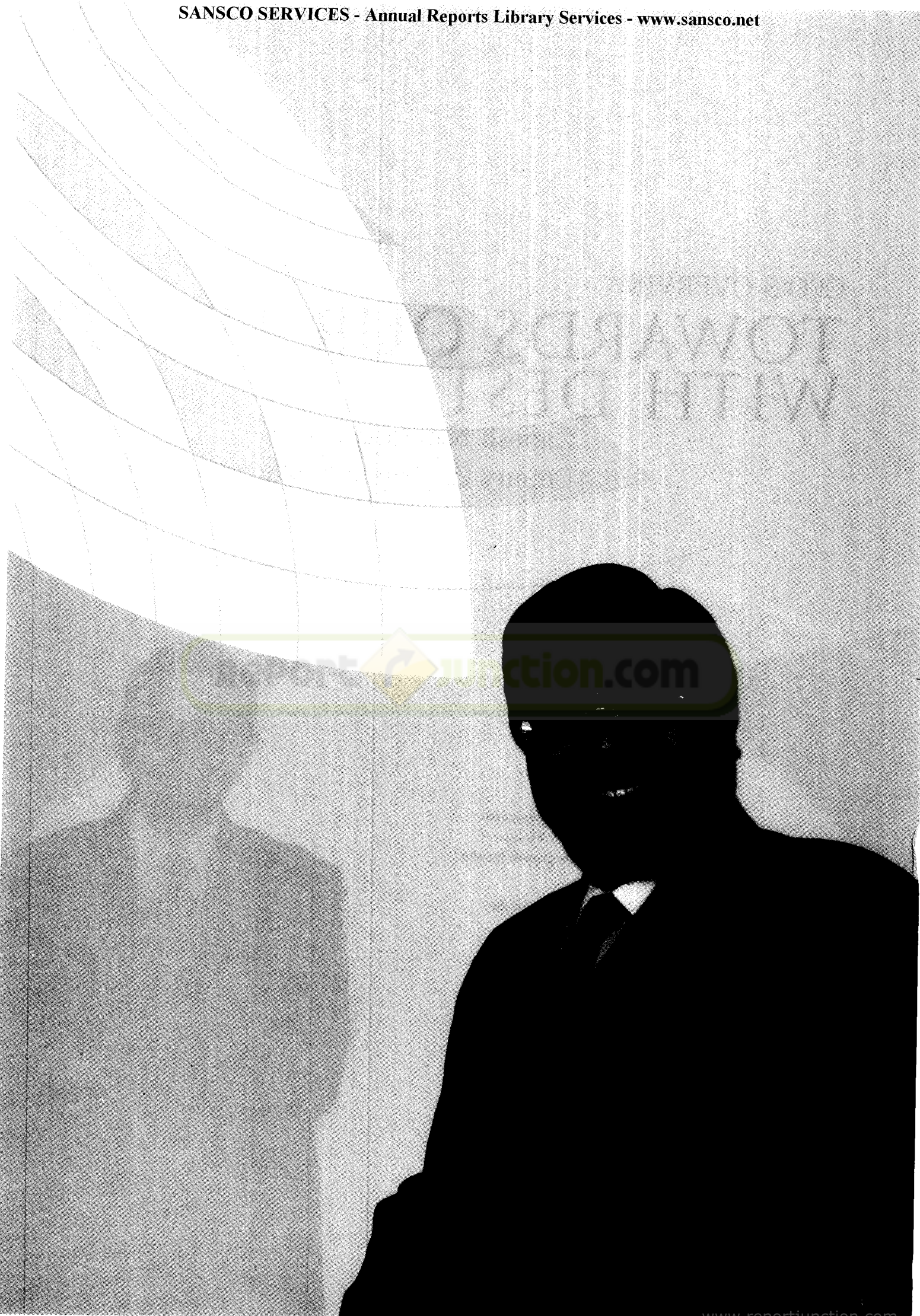
In this challenging environment, Zensar - a rising star of the US \$ 1.5 billion RPG Group, embodies the leadership vision and values that are characteristic of all its Group companies. It dares to challenge the status quo through an entry into new areas, in its pursuit of excellence.

The management team has steered Zensar through this difficult industry environment to a safe port that stands for outstanding service quality, innovative methodologies and a history of long-term relationships with marquee clients.

Zensar was born out of a dream to build a company with a unique point of view that could hold its own against the best-of-breed companies in India and abroad.

It was in 2002-03 that we saw proof that this could indeed be done. We now look forward to the future with the confidence to make this dream an absolute reality.





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## CEO'S OVERVIEW

# TOWARDS OUR TRYST WITH DESTINY

Ganesh Natarajan,

Deputy Chairman & Managing Director

Two years ago, the new management team of Zensar drew out a Vision Community to inspire its growth for the next three years.

Much midnight oil was burnt in the process.

What resulted was a vertical-centric strategy as well as a growing focus on offshore assignments with the singular objective to enhance global reputation and profitability.

What also emerged was a 'Your Transformation Partner' baseline and the 5F mantra - Fast, Focused, Flexible, Friendly, Fun. Most importantly, Zensar took a collective view that it needed to evolve from a point when international customers would ask "How are you different from IBM or Accenture or TCS?" to "Who is your competition?" with wonder-struck curiosity instead.



We could not have chosen a more challenging environment to script our rebound. The global business environment deteriorated each passing quarter over the last two years – 11 September, the economic recession, the feared Indo-Pak war, Iraq and SARS have created doubts about the prospects of Indian software industry in general and the mid-tier service providers in particular. In this choppy environment, Zensar's crew continued to be guided by its vision. I am delighted to state that we have had the first sightings of the coast, manifested in improved quarter-to-quarter results and the annual financial numbers that you see in this report.

The spirit of Zensar has been built on four solid pillars:

- **Customer supremacy:** Our teams went the extra mile to delight every customer, as a result of which value propositions like Offshore Migrations, Solution Blueprinting and Knowledge Management in 30 Days received a significant customer traction in all our chosen markets.
- **Cutting-edge marketing:** Strong sales teams in the USA, UK, Japan, Australia and South East Asia dovetailed with focused offerings in China, South Africa, Finland and Mexico and supported by an excellent

back-office in India optimized the investment of marketing dollars in getting profitable business.

- **People power:** Highly committed Project Managers and teams aligned across five robust practices continuously raised the bar in the delivery of world-class solutions on time and within cost - all the time.
- **Passion for Quality:** SEI CMM Level 5 and ISO 9000 frameworks, coupled with flexible quality processes aligned to customer specific needs, migrated Zensar to the RPG Quality Award, the CII-EXIM standard and Six Sigma.

As a result, Zensar has enhanced value for customers, partners, people and most of all, shareowners.

But what excites me is what lies ahead. Zensar possesses a management team that comprises some of the best professionals in the Indian Information Technology industry; it comprises professionals drawn from multiple nationalities and it is driven by a transparent three-year winning agenda.


Zensar continuously updates strategy, sharpens business tools and strengthens its value proposition as it graduates towards its tryst with a global destiny.

I can assure you that the best is yet to come!





# HIGHLIGHTS 2002-03



ZENSAR IS A LEADING  
SOFTWARE SOLUTION  
PROVIDER BASED  
IN INDIA.





ZENSAR REPORTED A 22 PER CENT TOPLINE  
GROWTH AND A 22 PER CENT BOTTOMLINE  
GROWTH TO RS. 228.43 CR AND RS. 9.86 CR  
RESPECTIVELY

## OUR BUSINESS

Zensar is a leading software solutions provider. The company is represented by more than 1200 professionals across 23 global offices and is headquartered at Pune, India.

## OUR SERVICE OFFERINGS

At Zensar, our expertise is in application development and management services, integration services, ERP services and e-Commerce solutions. Our focus is on BFI (banking, financial services and insurance), MRD (manufacturing, retailing and distribution), TWU (telecom, wireless and utilities) domains. At Zensar, our reputation is the use of world class processes and cutting-edge technologies for enterprise and mission-critical applications, e-business solutions, as well as providing consulting services in the area of knowledge management and quality certification for software processes.

## OUR CUSTOMERS

Zensar is known by the company it keeps. We work with internationally reputable customers like Cisco, Marks and Spencer, Sprint, AIG, Mutual & Federal (South Africa), Fujitsu, P&O Nedlloyd, Fluke Corporation, Sanmina Corporation, Trema and Daimler Chrysler Benz. At the close of 2002-03, Zensar possessed 102 active customers.

## OUR QUALITY

At Zensar if detail is the body, then quality is its soul. The company is guided by three international standards: ISO 9001: 2000 as a basic foundation of our Quality

Management System, SEI CMM Level 5 for improving Software Project Management & Engineering Processes and EFQM for Business Excellence.

## OUR GEOGRAPHIC SPREAD

Zensar's offshore service may be routed out of India, but its diverse global presence - US, Europe, Australia, South Africa, Middle East, Japan, Hong Kong and India - ensures a fair proximity to customers and an ability to capitalize on opportunities with speed. Besides the above, we have:

- set up development and maintenance centers in Singapore and China in order to take care of specific requirements of our customers as well provide Business Continuity programs for our existing global customers.
- Increased USA revenues by 25 per cent.
- Increased revenues from Europe and Middle East by five per cent.
- Increased revenues from Australia by 62 per cent.

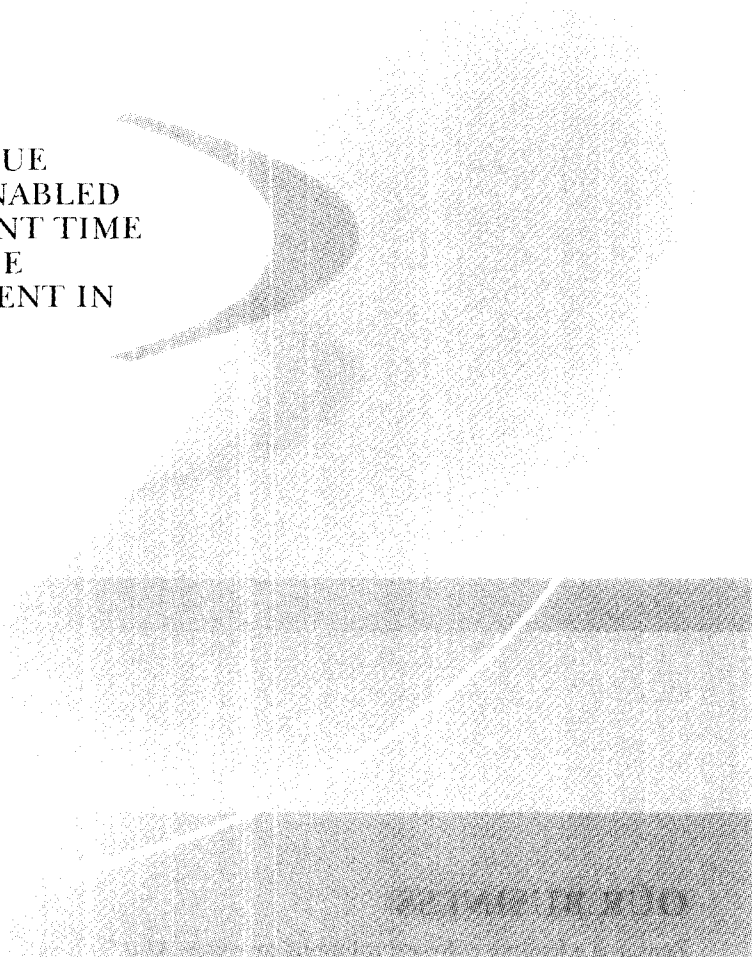
## OUR PARTNERS

Zensar's credible partners comprise IBM, Oracle, Microsoft, Cymal, DMR, FC and BEA.

## OUR CREDENTIALS

Zensar's software business solutions help a number of Fortune 500 giants and other mid-sized and smaller companies, compete effectively in their respective businesses. This is the result of a decade of consolidated intellectual capital: more than 700 projects across a decade, 32 per cent of the projects executed offshore in India, a number of IPR-based products and customised applications for a whole gamut of industries.

THE DEVELOPMENT OF SOLUTION BLUE PRINT, A UNIQUE SOLUTION THAT ENABLED CUSTOMERS TO REDUCE DEVELOPMENT TIME THEREBY GIVING THE CUSTOMER THE BENEFIT OF SIGNIFICANT IMPROVEMENT IN PRODUCTIVITY.



## FINANCIALS

- Our intellectual capital is reflected in our financial capital. In 2002-03, Zensar reported a 22 per cent topline growth and a 22 per cent bottomline growth to Rs. 228.43 cr and Rs. 9.86 cr respectively.
- Quarter-on-quarter topline and bottomline growth - the first such instance in the company's history.
- 31.8 per cent revenues from offshore assignments in 2002-03 (24.4 per cent in 2001-02).

## CORPORATE

- Evolution from technology orientation to a business focus.
- A 4.3 rating (previously 3.0) in a customer satisfaction survey, reflecting overall improvement.
- The development of Solution Blue Print, a unique solution that enabled customers to reduce development time thereby giving the customer the benefit of significant improvement in productivity.

- The implementation of a practice delivery model and the realignment of the sales force into key verticals.
- Presence in the KM World 2002 (Santa Clara), making Zensar the only Indian company and the only consulting organisation to participate.

## SALES AND MARKETING

- The addition of 43 new customers from the retail, banking, financial services, insurance, manufacturing and telecom verticals.
- New visible customers like AIG, Trema, Marks & Spencer's, Batelco and Dovvari.
- Acquired a prominent offshore objects migration project at Sanmina - SCI Corporation, one of the world's leading manufacturers of sophisticated electronic components.
- Strengthening of marketing presence in USA, Europe, Australia and Japan.