

REPORT JUNCTION.COM

Zensar. The world within.

Zensar. The world within.

Zensar. The world within.

REPORT JUNCTION.COM

# Board of Directors

**H. V. Goenka**  
Chairman

**Tim Escudier**  
Vice Chairman

**Ganesh Natarajan**  
Deputy Chairman and Managing Director

**A. N. Agrawal**  
Director

**P. K. Choksey**  
Director

**Nirmalya Kumar**  
Director

**John Levack**  
Director

**P. K. Mohapatra**  
Director

**A. T. Vaswani**  
Director

**Anthony Pipe**  
Alternate Director to Mr. Tim Escudier

## Contents

Mission, Vision, Values..1 Chairman's Overview..2-3 From the CEO's desk..4-5 Innovation..6-7  
The Leadership Team..8-9 People..10-11 Highlights 2003-2004..12-16 Directors' Report..17-25  
Report on Corporate Governance..26-33 Management Discussion & Analysis..34-44 Financial Highlights  
for last three years..45 Ratio Analysis..46 Financial Statements..47-76 Consolidated Financial  
Statements..77-100 Summarised Consolidated Financial Statements as per US GAAP..101-106  
Zensar in the News..107-108

What drives Zensar?

# Mission

Leveraging technology and processes to help customers attain their goals

# Vision

Transformation Partners to  
Global Corporations

Report Junction.com

# Values

Customer Sovereignty  
Passion for Excellence  
Continuous Innovation  
Transparency & Integrity  
People Orientation  
Social Responsibility

*Zensar is poised to reap the benefits of opportunities presented by the globalization of major corporations.*

# Chairman's Overview

The Indian software industry continues to face incessant challenges. The shrinking IT budgets of our customers and the resultant pressure on service rates demand from us the highest levels in productivity and efficiency. Organizations the world over, have caught up very well with the imperative nature of outsourcing software applications management and processes.

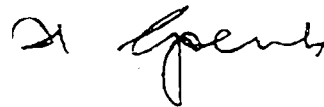


As large companies expand the frontiers of their global operations, a newer set of opportunities has emerged, bringing with it, more challenges...challenges of increased competitive pressures and the ability to convert skill sets into effective solutions in the shortest possible time.

Globalization is the mantra of the day for major corporations. This presents unprecedented opportunities and Zensar is poised to reap the benefits of these effectively.

Zensar's customer facing and delivery teams have worked very effectively to create the truly global image that the company today enjoys. The intense focus on customers, facilities and products as well as the quality and integrity that our people bring to the markets, have helped Zensar sustain its growth despite the difficult environment.

I had stated in my overview last year that Zensar was born out of a dream to build a company that could hold its own against best-of-breed global companies. Zensar has demonstrated at every step that this is within reach. As we begin a new year I am hopeful that Zensar will continue its strong march ahead setting new standards in each of its areas of expertise.



Harsh Goenka

*Zensar - the success march continues...*

# From the CEO's desk

The last eight quarters have seen Zensar tasting success in multiple areas. Top lines and bottom lines have grown consistently. The technology innovations adopted last year to differentiate us from competition, have matured well. New accounts have been added in every chosen vertical and geography. The organization has been strengthened both at the corporate and sales levels, and the business pipeline appears very healthy. Zensar has added people rapidly to cater to the business growth and also invested considerably in additional space and infrastructure.



As we continue to focus on innovation and quality to lead us to greater accomplishments, we are proud of the fact that our customers have stood by us through their own tough times and have had abiding faith in the transformation capabilities of Zensar. Our teams today are redefining the role of Indian IT consultants in the international arena. Zensar's path breaking automated migration projects, multi-shore ERP implementations, process optimization and re-engineering exercises have challenged the perception of Indian offshore vendors being viewed as mere applications development and maintenance outfits. The concept of a new practice organization has been implemented under the able stewardship of our new IT COO Anil Kekre. Our BPO COO Aamod Wagh and his team are building our new business in the fast growing Business Process Optimization and Outsourcing (BPO<sup>2</sup>) space. These two initiatives will enable us to sustain the momentum that our multinational teams across the globe have created.

Zensar functions on one of the most risk free business models in the Indian software industry. The model has nine practices and six verticals and our revenue comes from significant engagements in diverse geographies. Zensar currently uses a range of technologies to address customers in USA, UK, Finland, Japan, China, Mexico, Australia, Singapore, South Africa and Dubai. These are but some of the reasons for our sustained success in the tough market environment in the past and our optimism for the future.

In the words of Robert Frost, we have "promises to keep and miles to go" before we sleep. Our quest to scale the pinnacle of success will see Zensar retain its focus on customer satisfaction and profitability while continually exploring new opportunities. The energy, enthusiasm and dedication of every young Zensarian will get us there, that is our collective promise!



Ganesh Natarajan

**SOLUTION BLUEPRINT**

Two years ago, Zensar announced the concept of Solution BluePrint (SBP). A year ago, SBP delivered real and significant benefits to customers worldwide in their quest for better, cheaper and faster solutions in areas ranging from Applications Development and Maintenance through Migration to Product Engineering. World class, scalable and platform-independent solutions can be built using SBP.

SBP provides the following advantages:

1. Reduction in time
2. Increase in quality
3. Reduction of cost
4. Platform independence

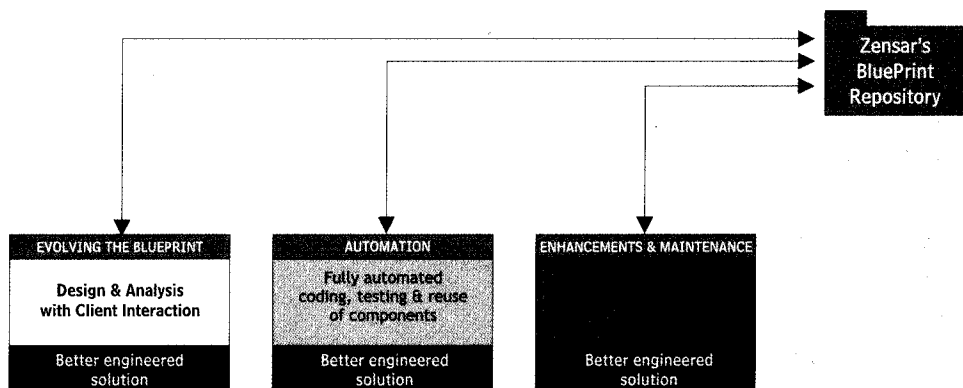
SBP essentially is Zensar's initiative in streamlining and automating the software engineering process. SBP goes a step ahead through its focus on building reusable platform agnostic models, also called Solution BluePrints.

What drives Zensar?

# Innovation

The BluePrints are automatically transformed into platform-specific solutions, thereby avoiding the need for time-consuming and error prone manual coding. When implemented across geographies, SBP is more cost-effective. As business dynamics change, the solution requires enhancement. Visual models allow quick change management at the model level instead of the source code level. This lowers maintenance costs and enables new software to be created and deployed on new platforms with little or no human intervention.

No wonder we get more customers every week and every customer comes back for more!

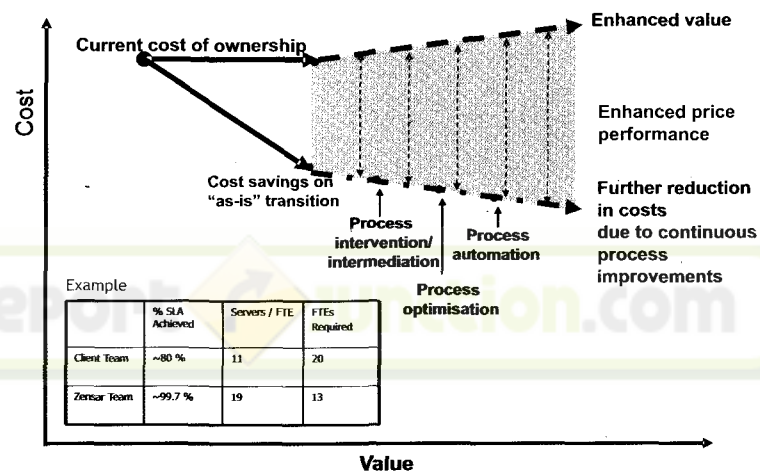




BPO<sup>2</sup>

## BUSINESS PROCESS OPTIMIZATION AND OUTSOURCING

Zensar has decided to redefine the boundaries of Business Process Outsourcing by providing a comprehensive range of Process Optimization and Technology renovation services as part of its Outsourcing Services. Leading with its consulting capabilities, this new division of Zensar has geared itself to offer services to customers in the Financial Services, Retail, Manufacturing, Telecom, Utilities and Healthcare segments in areas such as:

Zensar **BPO<sup>2</sup>** Proposition

- Back office Business Process Management
- Technical Help Desks for internal and external stakeholders
- Multi-lingual Inbound and Outbound Contact Center services
- Shared Services
- Outsourcing of end- to-end HR processes

Zensar has recently signed a partnership with PeopleSoft for HR Shared Services in India and is currently PeopleSoft's only partner in that space. Zensar has also developed global partnerships with key solution providers in Accounting, Healthcare and Human Resource processes in the USA, Europe and Asia. Zensar BPO will provide a revolutionary Optishore model with multiple benefits: proximity of local resources for critical support, offshore and low costs offshore capabilities as well as disaster recovery and business continuity capabilities. Zensar also provides process optimization. Zensar has existing capacity of 300 seats for both Inbound/Outbound Voice processes, which would be ramped up to a 1400-seat facility by March 2005.



**Ganesh Natarajan**  
Deputy Chairman and Managing Director

Ganesh has been one of the most successful professionals in the Indian IT industry, having earlier been part of two major success stories in IT training and consulting, NIIT and Aptech. Ganesh is the current Chairman of the Outsourcing Committee of the Confederation of Indian Industries Western India. He is also a member of NASSCOM's Executive Council for 2003-05 and Chairman of the SME Forum of NASSCOM for Western India.

Anil has three decades of experience including a stint at DCM Data Products where he was the Chief Architect of the Galaxy-21 mini computer. Prior to joining Zensar, he was the Managing Director, Europe/Executive Vice President of Satyam. He led the R&D design of "OO" CASE tool and ERP suit "MAMIS" at Mastek and the marketing team that achieved spectacular turnaround. He also worked with companies like Tata-IBM and an HCL-HP sister concern.



**Anil Kekre**  
Chief Operating Officer - IT

# The What drives Zensar? Leadership Team



**Aamod Wagh**  
Head, ESAF & Chief Operating Officer - BPO

Having spent 21 years in the IT industry, Aamod spearheads Zensar's Business Process Optimization and Outsourcing (BPO<sup>2</sup>) initiative. Prior to joining Zensar three years ago, Aamod worked with Newscorp and LG Soft. Under his stewardship, EMEA posted 50% growth in year 2003-04 and signed 12 new significant customers across the globe.