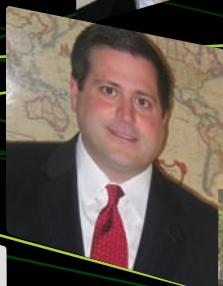


Business Success in Diversity ...Delivering Value



Annual Report 2007-08

ZenSar
TECHNOLOGIES
Your Transformation Partner

www.reportjunction.com

Vision

Vision

Transformation Partners to Global Corporations

Mission

Mission

Leveraging technology and processes to help customers attain their goals

Values

Values

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

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Board of Directors

Mr. H. V. Goenka, Chairman

Dr. Ganesh Natarajan, Deputy Chairman and Managing Director

Mr. Arvind Agrawal, Director

Mr. P. K. Choksey, Director

Mr. Venkatesh Kasturirangan, Director

Mr. John Levack, Director

Mr. P. K. Mohapatra, Director

Mr. A. T. Vaswani, Director

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Zensar Management Team

Dr. Ganesh Natarajan, Deputy Chairman and Managing Director

Mr. Parmod Bhalla, Chief Operating Officer

Mr. Vivek Gupta, EVP and Head, Global Outsourcing Services, Americas

Mr. Nitin Parab, EVP and Head, Global Enterprise Application Services

Mr. V Balasubramanian, EVP and Head, Global Transformation Services, EMEA

Mr. S. Balasubramaniam, Chief Financial Officer

Ms. Prameela Kalive, Chief Human Resources Officer

Ms. Lavanya Jayaram, Head, Corporate Innovation Group



Chairman's Overview

Chairman's Overview

The Indian IT and BPO sector has weathered the currency storms that affected its profits in the early part of the year and has shown its resilience with most of the leading firms making a smart recovery by the end of the year. The sector also faced unpredictable winds of a slowing economy and a financial sector crisis in the US and sharp appreciation of the rupee against the dollar in addition to the already existing supply-side constraints. Despite these adverse influences, the industry maintained its double-digit revenue growth. Driving the sector's strong performance was a more diversified geographic market exposure and continued expansion of the service portfolio, leading to a steady growth in scale by technology companies with operations in India.

The fundamentals of the growth drivers for global sourcing are likely to remain strong in the near future. Most environmental factors affecting global sourcing also look favourable despite concerns of a possible economic slowdown. While the US outlook for the short term is muted, global tech spending forecasts remain strong, supported by momentum in Europe, Middle East and Africa as well as Asia Pacific and an expected resurgence in the US. Worldwide adoption of outsourcing, another key influencing factor, is also expected to grow rapidly over the next five years. Overall, global sourcing of services seems well-placed to continue expanding its share of worldwide IT-BPO spending. The Indian IT-BPO industry has a positive outlook given the sufficiency of demand, strong fundamentals and a favourable environment, keeping it well on its path to attaining the 60 Billion dollar exports by 2010.

Zensar too had its share of challenges due to the external environment at the beginning of the year and the integration of newly acquired businesses. It has been a year of consolidation for the company. Having ended the year 06-07 with these acquisitions, it was a year to nurture these businesses and move them to profitability. Progress has been made in both ZensarThoughtDigital as well as in ZensarAdvancedTechnologies (Japan) and more work will be done towards this objective as we continue to build leadership in our chosen geographies and business segments.

Zensar has also been steadily expanding its footprint in emerging markets with consistent success and strategic growth in South Africa, Europe, Middle East and India. Zensar's comprehensive and diversified portfolio and innovative outlook gives me confidence that it will continue to lead RPG's strategic initiatives in technology.

Harsh Goenka

CEO's Note

It has been one of the most significant years in the history of the Company. Zensar with its focus on delivering value through innovation in its chosen lines of business has seen significant success and robust growth in business in spite of the economic conditions that were prevalent this year. The Company's strategy to diversify its customer base to include three segments - the Fortune 1000, First Time Outsourcers and project based customers for ERP and Business Intelligence has given us the right mix to tide over short term issues with any of these categories. The Company's sustained belief in Emerging Markets has also paid significant dividends with striking growth in the region and consistent buoyancy in business.

The Company has one of the most inclusive teams in the entire industry with associates drawn from fourteen countries and our 'Women for Excellence' initiative leading to three women professionals entering the top leadership team during the year. We now have on board more diversity than ever through the addition of teams in East Coast US with the Oracle Company acquisition, highly technical Japanese teams with the embedded systems and mobile gaming Company acquisition, a hundred percent local Polish team at our recently launched delivery centre in Gdansk, Poland all of which make Zensar a truly global organisation. Integration of diverse service portfolios into the fold, bringing together of disparate cultures and practices across the world make for a much enriched Zensar today, as it constantly innovates to build strength from its diversity for sustained growth.

This diversity also reflects in the innovation in new intellectual property, processes and business models to ensure new revenue streams and differentiated value propositions to our customers. Zensar is also proud to announce its Green agenda building an energy efficient organisation by encouraging environmental responsibility and also creating value propositions to help global corporations across the world to build a productive and an energy efficient outlook for their businesses as well.

With a fine-tuned long term agenda, going to market with its comprehensive portfolio through its successful SBU model; and by constantly innovating and finding new ways for efficiencies, effectiveness and true differentiated business value for its customers, and actively fostering diversity, Zensar brings a promise of sustained growth and success in the years to come!

Ganesh Natarajan



Delivering Value Through Innovation

Zensar is an Information Technology and Business Process Outsourcing (BPO) Services Company with a unique point of view...a Company that engages with the world's largest businesses and still provides personalised care; where innovation is routine; out-of-the-box is run-of-the-mill; and differentiation is distinctive!

Zensar provides full spectrum services from IT development to Business Process Outsourcing, from consulting to implementation to support to over 250 active Fortune 500 and other customers. With this landscape of global operations comes a vast diversity of customers, partners and a global workforce. The Zensar team comprises at least 14 nationalities - Albanian, American, British, Canadian, Chinese, Filipino, Indian, Israeli, Italian, Japanese, Mexican, Pole, South African, and counting as we're expanding ... working in 18 countries and bringing in a rich diversity of cultures and experiences to our business. At Zensar individual thinking, creativity, innovation and flexibility are celebrated and through that enormous diversity seeps in a 'world culture' for Zensar to be true transformation partners to global corporations. The diversity is harnessed through core set of organisational values bringing in homogeneity of purpose with uniqueness of solutions!

Zensar encourages challenging of opinion, of mindsets and fosters a young and vibrant culture of innovation and experimentation. It consciously focuses on building diversity into the system whether it is of gender, region, nationality, background, learning or education, and then in creating a framework for a confluence of these different ideas, cultures and experiences to make an authentic global organisation that delivers value to its customers. The Company believes there is a need for extensive collaboration to build innovation-enabling networks and open and adaptive approaches to deliver business-impacting value and radical solutions to the market. Using the Global Delivery Model to integrate our global talent and customer capabilities, embed frameworks for service delivery, and by creating the necessary go-to-market front ends, Zensar consistently and predictably delivers business value for its customers! This enables a true customer proximal model with requirements being captured by a consultant at their end with localized and business specific capabilities and the luxury of global sourcing and 24X7X365 support and disaggregated software development that leverages talent across nations and time zones, making for an automated and distributed software development.

Towards supporting our customers in meeting their business goals, Zensar has built and consolidated a comprehensive portfolio of services in IT and BPO that offer a sliding range of benefits along the value chain, from cost to value arbitrage, from efficiency gains to lasting business impact, from the tactical to the strategic. Our engagement models are designed to instill and grow trust starting from a low-risk pilot evolving into a high-value, collaborative, sharing partnership model through the project and program stages.

The Company offers industry and business consulting with focused teams in Retail, Hi-Tech and Manufacturing, and in Financial Services and Insurance, bringing in best practices culled from individual and combined experiences. Knowledge of business and industry-specific practices is key to successful technology deployments, and these teams bring in the necessary expertise to make them successful.

Zensar's decision enabling services help businesses go beyond impacting velocity of transactions in increasing the velocity of decision-making through access to the right information, past experience, analysis and what-if scenarios. The services include enablers like business intelligence and datawarehousing, content and collaboration management, and knowledge management.

The Business Process Outsourcing and Optimisation (BPO2) service of Zensar as the name suggests involves process execution and optimisation to help businesses perform at optimum levels by making continuous improvements possible. Services span from accounts payable, receivables, telesales, helpdesk support, to knowledge process outsourcing on the higher end.

Our IT enabling services help companies design, develop, test and implement business applications whether



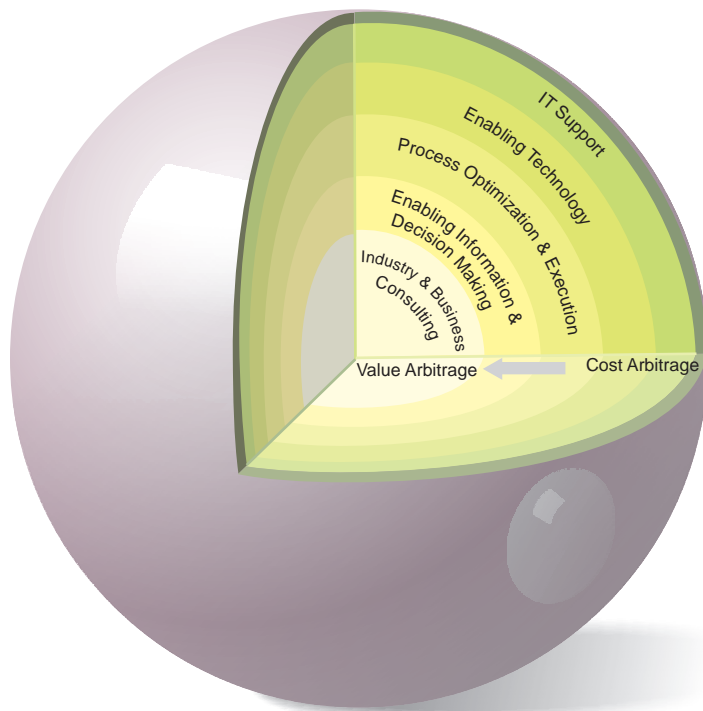
Gdansk, Poland



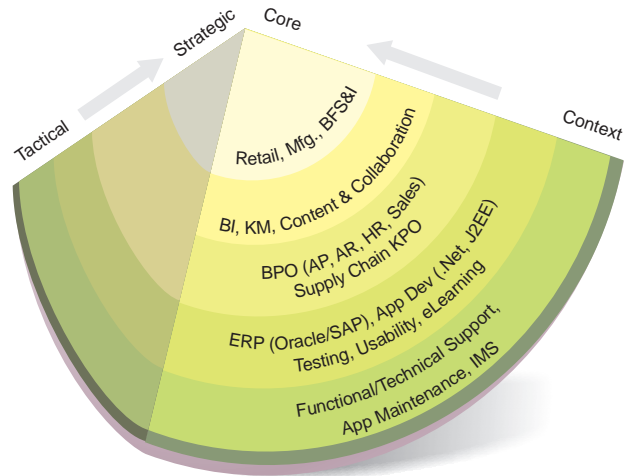
Hyderabad, India



Shenzhen, China



Zensar Services



packaged or custom-built. Zensar is one of the few India based companies offering the full spectrum of services from business alignment to development to implementation through its 750+ strong Oracle practice bolstered by a strong relationship with Oracle Corporation.

We offer focused templatised SAP solutions in key verticals of dairy, textile, pharma, manufacturing and IT/operations and are the largest partner in certain key segments and markets.

Zensar's **IT support services** help companies focus on their core of aligning IT to business needs while letting us take care of the operational maintenance, fixes and day-to-day support of their applications and technology infrastructure.

Finally, all our services are designed with one end in mind - of consistently delivering business value and innovation to customers at all times, with a **sustainable competitive advantage** for ourselves as an emergent benefit.

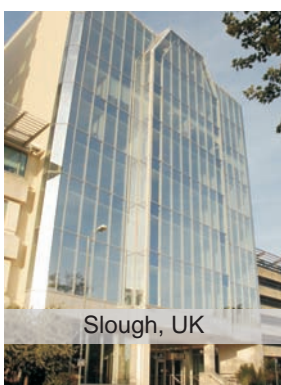
Over time a typical Zensar engagement goes through a partnership lifecycle of increasing trust, intimate knowledge of client business processes and proactive partnering to delivering exponential value.

Zensar's **Centres of Excellence** bring in the innovation and an understanding of future trends, staffed with some of our best consultants and technologists -focused either on industry such as Retail, or on business processes, for example, we have COEs for Financials, Manufacturing, HR, and CRM in our Oracle practice, or even by horizontal service for example Testing, Usability Engineering or Infrastructure Management. Technology being the driver for Zensar's business we are constantly developing Centres of Excellence in leading and emerging technologies, and currently have them in .Net, MS Sharepoint, SAP, Oracle Technologies etc.

This comprehensive portfolio, an innovative methodology and approach to addressing the customer's business need, backed by a culture that is truly diverse and one which encourages constant pursuit of excellence promises a true transformational journey for all our stakeholders.

Zensar practices an inclusiveness policy, embracing diversity, and encouraging women leadership, a well charted out career path for associates at Zensar, a fun culture that most importantly encourages youngsters to ask questions or even propose new strategic directions for the business through forums like Vision Community, all of which make Zensar - a winning place to work!

Zensar - a winning place to work!



Slough, UK

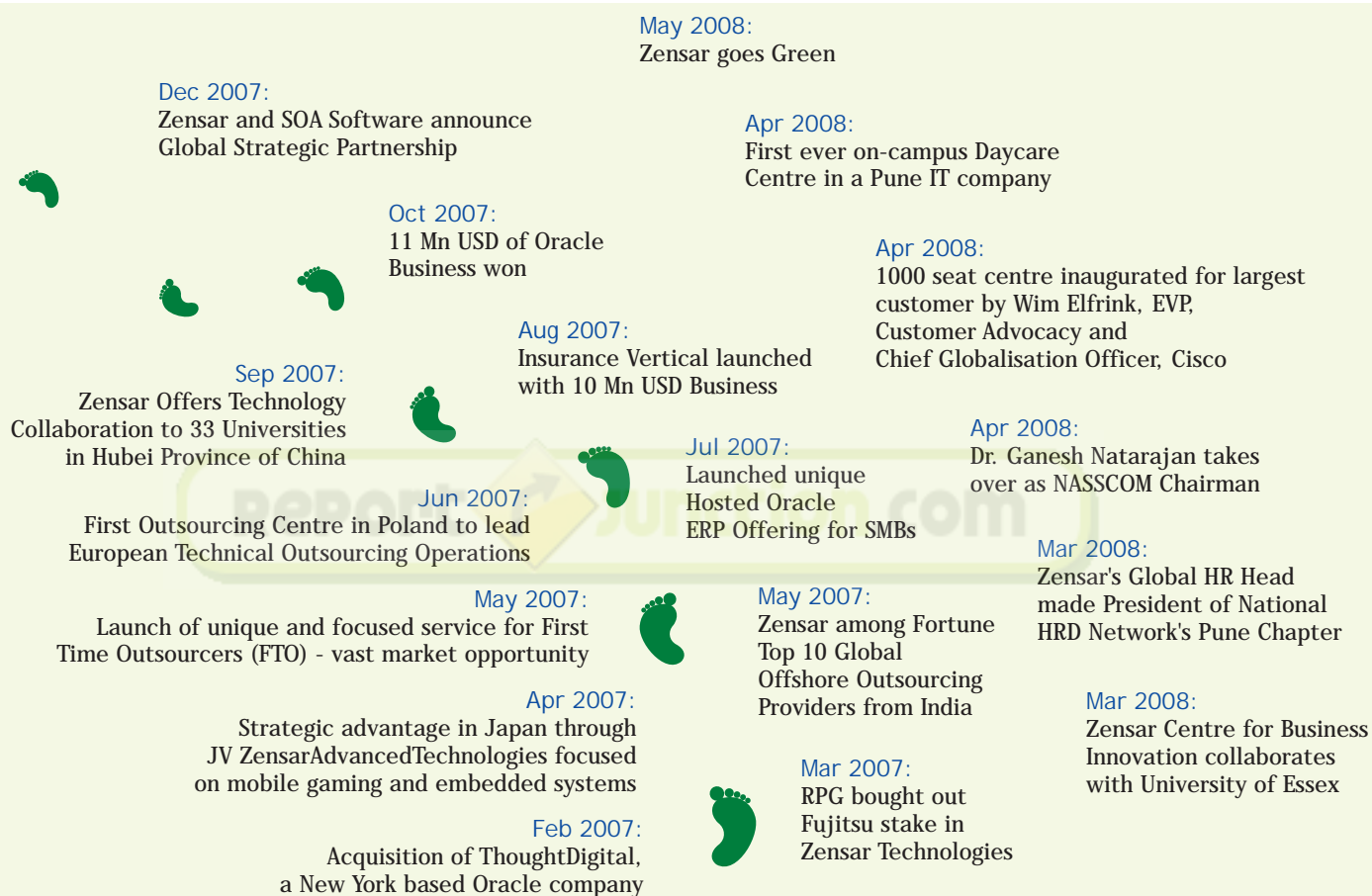


Pune, India

Zensar's
Delivery Centre Footprint

Highlights

It has been an eventful year for Zensar highlighted by significant successes in Emerging Markets; key wins in niche service areas and chosen domains; operational efficiencies creating internal successes; improved and more active engagement in the human resources sphere; a gamut of new social initiatives lending to the Community at large; and finally announcement of industry luminaries from Zensar. Here are the highlights of a very successful year gone by:



Zensar has announced its Green drive committing a reduction in Carbon emissions and creating Green IT solutions for its customers' businesses
True Transformation Partner for all our stakeholders!



Zensar contributes to society through initiatives in health, education, socio-economic empowerment and environment!

Directors' Report

Corporate Governance

Management Discussion
and Analysis

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Zensar is a global technology services and outsourcing company committed to delivering innovation. Zensar collaborates with its clients to help them transform their business by creating value and knowledge.

Zensar strives to provide an environment that is uncluttered with hierarchy, and acknowledges each individual's uniqueness by rewarding achievement and entrepreneurship.

The architecture at Zensar is a true reflection of our commitment to the values of transparency, trust and respect. The Zen principles of ecologically sustainable design are thus reflected everywhere.