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SSI Education is India's leading provider of high-end, skill-based training in emerging software technologies and has international operations in Asia, Middle East and Africa.

SSI Technologies offers domain focused development and consulting solutions to predominantly Fortune 1000 clients through its financial services, e-business, telecom, healthcare, retail, automotive, and CPG practices.

SSI and Nasdaq are joint venture partners in IndigoMarkets Ltd., a company set up to develop global securities solutions.

Report  Junction.com



Raising the bar

A visual manifestation of SSI's DNA

A red semi-circle and a bold blue rectangle. While red stands for productivity and leadership opportunities, the circle represents openness, dynamism, and a sense of restlessness. The blue embodies a strong moral code, integrity and perfectionism, and the vertical rectangle represents growth, solidity, and stability.

“N O L I M I T S”

MILESTONES

- January 1991 : First training center at Chennai.
- December 1994 : Initial Public Offering.
- May 1999 : SSI Technologies set up.
- June 1999 : SSI Education crosses 100 centres.
- September 1999 : SSI Education signs up first International center.
- January 2000 : Acquired major stake in Agenda Netmarketing Ltd.
- January 2000 : Joint venture with Nasdaq to form IndigoMarkets Ltd.
- January 2000 : Acquired Inndsoft Systekh Ltd.
- March 2000 : Issue of US\$ 100 Mn. GDS and listing on London Stock Exchange.
- July 2000 : SSI Education crosses 500 centers.
- December 2000 : Acquired AlbionOrion Company, LLC.
- August 2001 : SSIT assessed for SEI CMM Level 5.

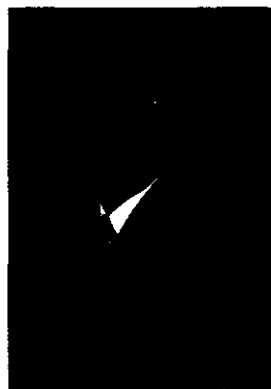
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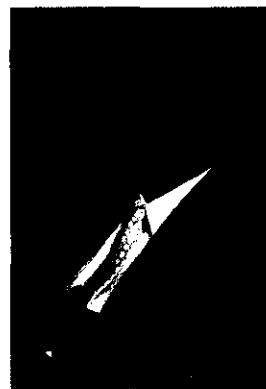
BOARD OF DIRECTORS



Kalpathi S Suresh
Chairman and CEO



K S Ganesh
Managing Director



K S Aghoram
Director – Finance



D V Narasingarao
Director – Marketing



S S Gopalakrishnan
Director and
Company Secretary



Sashi Kumar Menon
Director – Human Resources



K Vaitheeswaran
Non-Executive Director



R Manoharan
Non-Executive Director



T N C Varahan
Non-Executive Director



N S Kumar
Non-Executive Director



R Nagarajan
Non-Executive Director



T K Bhaskar
Non-Executive Director

AUDITOR: S. Neelakantan, Chartered Accountant, 12, 10th Avenue, Ashok Nagar, Chennai 600 083, India. REGISTERED OFFICE: 54, Thirumalai Road, T Nagar, Chennai 600 017, India.
BANKERS: Union Bank of India, Chennai 600 017, India. SHARE TRANSFER AGENT: Data Software Research Company Pvt. Ltd., Sree Sovereign Complex, 22, 4th Cross Street, Trustpuram
Kodambakkam, Chennai 600 024, India.

LETTER TO SHAREHOLDERS

In many ways, this has been a watershed year for us. We delivered on much of the promise in both our training and software businesses, and we gathered momentum on our way to becoming a significant player in the Indian IT industry.

SSI EDUCATION

During the year, our education and training business established itself as a strong national brand. We made significant progress on expanding the brand internationally. This growth is particularly encouraging in view of the nervous sentiment in the IT training market caused by the dotcom bust, the slowing down of the US economy and its perceived impact on the need for trained software professionals. In a year when many established training providers struggled to prevail, our training business grew 76% in terms of revenues and 82% in terms of student enrollments. The number of our training centers more than doubled from 304 to 674. As our network of training centers expands to an optimum level, the pace of growth will more reflect same-center growth than the growth of the network.

Going forward, we plan to grow the training business in several ways. Most importantly, we believe students will continue to see value in training with us. Over the last ten years, we have established a reputation for providing market oriented courses at attractive price-value points. Our systems and processes ensure that we create and deliver courses that enable our students to take advantage of emerging opportunities. The present nervousness in the training market is transitory – for the foreseeable future, there will always be a market for high quality, affordable IT training.

As a company, we seek opportunities in different facets of the learning spectrum, be it in vocational, academic, or certification and testing. We will use both traditional and new methods to deliver our services, be it classroom instruction, web based training, or through CD-ROMs. We will deliver our products to different segments of the market, be it high-end urban professionals seeking to enhance their skills, or a farmer's child starting out on a journey to expand his or her horizons. The underlying premise is simple – we seek to be part of every learning opportunity.

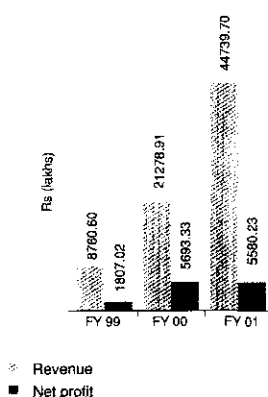
SSI TECHNOLOGIES

During the year, our software development and consulting business matured in two significant ways. In many of our chosen verticals – particularly the banking, financial services and insurance practice – we won significant orders for world class projects against world class competition. It is fair to say that we are coming to be recognized as a top tier software solutions provider in terms of domain expertise and execution ability.

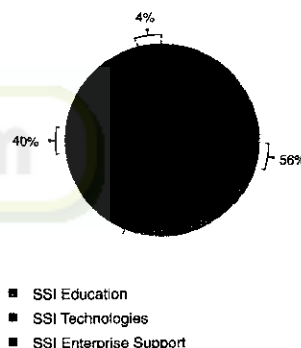
Secondly, our business has been restructured in line with our intent to grow across borders. To grow as a global organization, it is critical to be seen as a local company in each geography. We have today reorganized our business to position the Indian operations as a delivery organization servicing three wholly owned subsidiaries in North America, Europe, and Asia-Pacific. Each of these subsidiaries will grow as full service companies in their geographies, complete with sales, marketing, development, and support functions. Each subsidiary will develop strong client relationships and engage in projects that contain an optimal mix of onsite, offsite and offshore work.

Our acquisition of AlbionOrion Company, LLC, in the USA is key to this strategy. AlbionOrion has significant presence and client relationships in many of our chosen verticals. During the last few months, we have learned much from each other and today, SSI Technologies is a truly global organization with cross border sales, development and delivery skills.

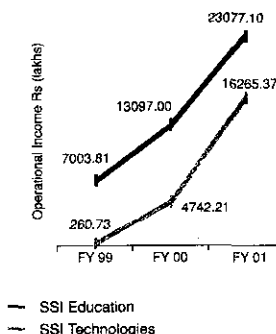
Revenue and net profit



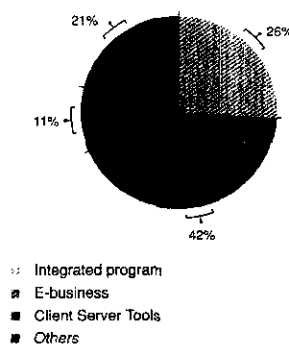
Operating revenue by business



Revenue growth by business



SSI Education revenue by program



We believe our strategy is well timed and holds enormous potential. Faced with a challenging business environment and shrinking IT budgets, customers are looking for cost-effective solutions. They are aware of the benefits of outsourcing work offshore, but are nervous of signing up with offshore solution providers. In every such case, our business model of servicing the client through a combination of a local company and an ODC in India combines the reassurance of a local relationship with the cost-benefit advantage of offshore work.

It takes significant time and effort to integrate such an operation across geographies. There are several cross-border and cross-cultural bridges to get past before a company operates as a true multinational. We have invested that time and effort and are well positioned to deliver solutions across the world.

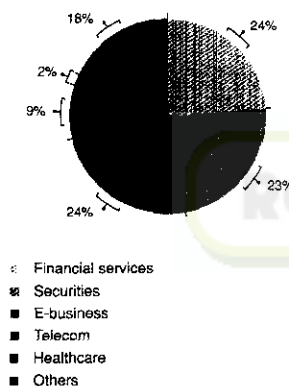
NO LIMITS

In January 2001, when we reflected on what ten years had meant for us at SSI, we were struck by the fact that in the ten years that we have grown together, we have retained our initial enthusiasm, the desire to come up with a new idea every day.

I like to think this is a way of life for us. I like to think that we will always be enthused by the spirit of a start up, to constantly excel ourselves, to raise the bar,

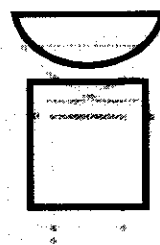
I like to think that you will never see us wanting in pushing that extra mile to win.

SSI Technologies revenue by practice



Chennai
27th August 2001

Kalpathi S Suresh
Chairman and CEO





I remember what it took to complete 3 miles, when I first took up running. Today I can do 26. I know I can do more.

I remember what a task it seemed when we took our first steps in IT education. What an effort it seemed, to get the first center up and running. Today we have over 600, and soon we'll reach the 1,000 mark. I know we will.

I remember the challenge that we took on, when we started our software development and consulting division. To create a brand new organization from scratch. We took it from zero

to over US\$ 35 million revenues in 18 months. I know this will accelerate rapidly.

Economic slow downs, recessions, unexpected adverse circumstances are a part of the fabric on which we must learn to do business. When we think we've done our best, I'd say to myself – do some more.

It is critical that we invent new strategies. And then reinvent them all over again.

Pushing the limits. It's a philosophy I live by.

It's like doing a sprint at the end of a long run.



Why wait for a challenging environment to bring out our best? Let's create our own challenges and deliver our best. There should be no limits to performance and value creation.

It takes all the running you can do to keep in the same place. If you want to go somewhere else, you must run at least twice as fast as that. We must dare to push the limits, in every facet of business.

We must constantly raise the bar, every year, every month, every day, all the time.

Kalpathi S Suresh
Chairman and CEO, SSI Ltd.

DIRECTORS' REPORT

Your directors are pleased to present their report on the business and operations of your Company for the year ended 30th June 2001.

FINANCIAL RESULTS

	(Rs. in Lakhs)	
Year ended 30th June	2001	2000
Gross Revenue	44,739.70	21,278.91
Total Expenditure	31,005.46	12,481.26
Operating Profit (PBIDT)	13,734.24	8,797.65
Interest	679.64	351.50
Depreciation	3,235.62	1,491.36
Profit Before Tax (PBT)	9,818.98	6,954.79
Provision for Tax	1,960.75	1,261.46
Profit After Tax (PAT)	7,858.23	5,693.33
Provision for extra-ordinary and non recurring items	2,278.00	-
Net profit after extra-ordinary and non recurring items	5,580.23	5,693.33

	(Rs. in Lakhs)	
Year ended 30th June	2001	2000
Dividend recommended	60%	40%
Total Dividend	808.07	508.80
Tax on distributed profits	82.42	111.94

RESULTS OF OPERATIONS

Your company derives its revenues primarily from three lines of businesses; SSI Education, its software education division, SSI Technologies, its software development and consulting division and SSI Enterprise Support, its software reselling and support division. During the year the company derived 56% of its revenues from SSI Education, 40% from SSI Technologies and 4% from SSI Enterprise Support. This represents a 76% year-on-year growth in revenues from SSI Education and a 243% growth in revenues from SSI Technologies. In March 2001, your company took a strategic decision to discontinue its 'Enterprise Support' operations. The Enterprise Support division was set up in 1996 to help SSI Education get a foothold in the enterprise training segment. Since SSI Education today has a well established presence in this segment, the management has decided to exit this line of business and focus its attention on its core businesses, viz., SSI Education and SSI Technologies.

DIVIDEND

Your directors are pleased to recommend a 60% Dividend (Tax free) for the current year. This includes a special commemorative dividend of 20% to mark 10 years of SSI. As per the present SEBI guidelines, the equity shares issued during the year are eligible for full dividend. The total amount of dividend is Rs. 808.07 lakhs as against Rs. 508.80 lakhs for the previous year. Under the Indian Income Tax Act of 1961, the dividend is tax free in the hands of the shareholders. The company will pay Rs. 82.42 lakhs as tax on distributed profits for the year as compared to Rs. 111.94 lakhs for the previous year.

INCREASE IN SHARE CAPITAL

In December 2000, your company completed one of the largest cross border acquisitions by an Indian company, by acquiring M/s. AlbionOrion Company, LLC, Delaware, USA (AOC) in a cash cum stock deal amounting to US\$ 63.65 Mn. Accordingly the company issued 63,82,360 GDSs to the shareholders of AOC, representing 6,38,236 Equity Shares of Rs. 10/- each of your company at a price of Rs. 3,068 per equity share. During the year, 22,200 Equity Shares were issued to the eligible employees of the company under ESOS-99. The paid up equity share capital of the company has increased to 1,34,67,880 shares of Rs. 10/- each as against 1,28,07,444 shares of Rs. 10/- each in Financial Year 2000.

BUSINESS

Your company is emerging as one of the key players in the Indian software industry. In the software education business, SSI Education is the leader in high-end, skill based training and enjoys approximately 13% market share in the IT education industry estimated at between Rs. 1,800 to 2,000 crores and is poised to grow its market share in the future. The increasing thrust in IT education at the school/college level has also expanded our market base, as students with knowledge and exposure to IT skills are likely to prefer skill based high end IT programs over other options.