



11th Annual Report  
2001-2002



12



Evolving to Achieve



## **Milestones**

Jan 1991  
First training centre started at Chennai.

Dec 1994  
Initial Public offering

May 1999  
SSI Technologies set up

Jun 1999  
SSI Education crosses 100 centers

Aug 1999  
Acquired Indigo International, Inc.

Jan 2000  
JV with Nasdaq Global Holdings to form IndigoMarkets

Feb 2000  
Issue of \$100 million GDS and listing on  
London Stock Exchange

Jun 2000  
SSI Education crosses 500 centers

Dec 2000  
Acquired AlbionOrion Company LLC

Aug 2001  
SSI Technologies assessed at SEI CMM Level 5

Feb 2002  
SSI Technologies assessed at SEI P-CMM Level 3



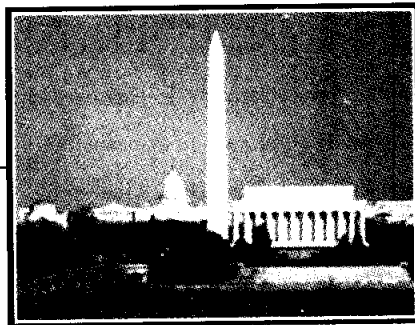
### ***The Butterfly***

In a memorable moment in his classic Illusions, Richard Bach captured the essence of resilience when he said, "What the caterpillar calls the end of the world, the Master calls a Butterfly". Change, always a radical process, calls for the best, among the best of us. An insight that we at SSI took home from the global markets. The Butterfly, our icon for this year, typifies that quality of resilience. From its event-filled journey from caterpillar. To chrysalis. To butterfly. It evolves to achieve. For us, the financial year 2001-2002 has been just that. A year of Evolving to Achieve.

#### **SSI**

SSI provides consulting and software services principally in the financial services, government and enterprise application domains to a global client base. SSI is also one of India's leading IT training providers and offers instructor-led programs for individuals and customized programs for institutional and corporate customers.

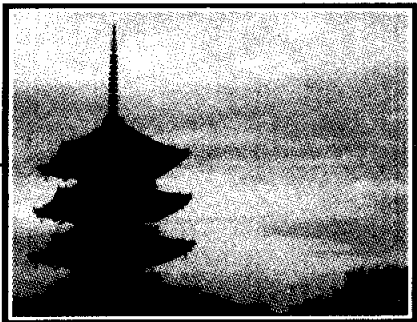
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## ***The Great Depression***

America. 1929.

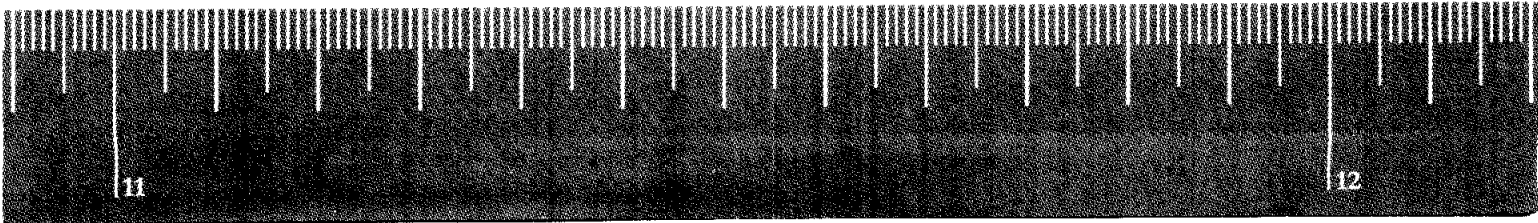
Wall Street Crash. End of the Road. America goes broke. As millionaires turn paupers, thousands of businesses, careers and reputations crash. Black Friday casts its shadow on the American economy and the world. As a dark hunger stalks the land. By the early 1930s, only the resilient few are still left standing. And, they lead the long march to market equity. Battered. Bruised. And, baptized by the fire of adversity. Cut to seven years later. America is thriving. The Great American Dream is alive. And, somewhere in the middle of that dark, lost era, a sepia-toned insight is born: "When the going gets tough, the tough get going".



**The Eastern Phoenix**

Japan. 1945.

The Mushroom of Fear. The Burden of Defeat. A Nation in Debris. As scarred memories of Hiroshima and Nagasaki heal in the minds of the Japanese people, a nation commits itself to excellence. And, its ceaseless pursuit in every walk of life. The time and season for the resurrection of warrior spirit. In time, the sleeping giant within Nippon awakes. Rules within the strategic realm of global business change. And Japan surges ahead, in the determined quest of industrial excellence. For the world, a resilient new age dawns. And, the Eastern Phoenix soars with the Rising Sun.





### ***Black Monday Revisited***

Singapore. 1997.

Asian Wall Street Crisis. The Singapore Dollar. The Malaysian Ringgit. The Indonesian Rupiah. The family of South East Asian currencies tumble into the anarchic chaos of Black Monday. Devaluation rules. The thriving Asia-Pacific becomes a panic zone. The downturn, however, is short-lived. The South East Asian Tigers stage a resilient economic recovery, fronted by Singapore and its neighbours.



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**Auditor:**

S.Neelakantan  
Chartered Accountant  
D-3, "Shoba", III Floor  
26(Old No 12), 10th Avenue, Ashok Nagar  
Chennai 600 083, India.

**Registered Office:**

34(Old No.54), Thirumalai Road, T. Nagar  
Chennai 600 017, India.

**Bankers:**

Union Bank of India  
96, G.N. Chetty Road  
Chennai 600 017, India.

Union Bank of India  
Industrial Finance Branch  
12, 'Riaz Garden', Kodambakkam High Road  
Chennai 600 034, India.

The State Bank of Mauritius Ltd  
Prince Arcade  
22-A, Cathedral Road  
Chennai 600 086, India.

**Share Transfer Agent:**

Data Software Research Company Pvt. Ltd.  
Sree Sovereign Complex  
8 (Old No.22), 4th Cross Street  
Trustpuram, Kodambakkam  
Chennai 600 024, India.







### ***Board of Directors***

Standing Left to Right

**K Vaitheeswaran** - Non-Executive Director, **R Manoharan** - Non-Executive Director, **K S Aghoram** - Director - Finance, **Kalpathi S Suresh** - Chairman and CEO, **D V Narasingarao** - Director - Marketing, **K S Ganesh** - Managing Director, **S S Gopalakrishnan** - Director & Company Secretary, **Sashi Kumar Menon** - Director - HR, **R Nagarajan** - Non-Executive Director, **N S Kumar** - Non-Executive Director, **T K Bhaskar** - Non-Executive Director, **T N C Varahan** - Non-Executive Director (not present)

**Location:** SSI's new 350,000 sq.ft Offshore Development Center at Chennai, India.



## **Letter to Shareholders**

FY 2002 was a challenging year. It was a year when the industry experienced its first downturn. It was a year of learning and maturing.

### **Education and training**

By the middle of 2001, it had become clear that the IT training market was facing a downturn. The dot-com boom was over and there were few or no new 'must learn' technologies. Software services companies had slowed hiring. But the extent and rapidity of the downturn was unexpected. At its worst, we heard students begin to doubt the wisdom of pursuing a career in the IT industry and by extension, a program of IT education. In retrospect, it seems likely that the training market has shrunk by 40% over the previous year.

The gloom has lifted a little since then. The undue pessimism about IT education was perhaps as unjustified as the hype preceding it. IT education is, and will continue to remain one of the most effective ways in which young people and working professionals can equip themselves to participate in the new economy. A number of surveys, including the Nasscom-McKinsey Report 2002, point to the continuing demand for trained IT professionals.

SSI is prevailing over the downturn by pruning costs, increasing efficiency, and innovating on products and delivery. We are working closely with our partners in an endeavor to keep our training network healthy and profitable.

Going forward, the nature of the training market is likely to see subtle changes. While individual fee paying students will continue to constitute a significant part of our revenue, other markets are opening up. Government organizations, educational institutions, public and private sector companies and professional associations have increased their budgets for IT training. What is certain is that as a company, we will be sensitive to these changes and will adopt all strategies necessary to remain one of the dominant players in this market.

### **Consulting and software services**

In the last year, SSI achieved a large part of what it set out to do in its consulting and software services business: establish domain expertise in financial services, government services, and enterprise applications; consolidate client relationships; and move a part of the work for our acquired North American clients offshore.

In our chosen areas, we are now awarded contracts for leading-edge work and routinely compete against vendors many times our size. In many of these contracts, our capabilities have enabled us to craft strong relationships with our clients based on our knowledge of the industry, innovative problem solving abilities, and strong execution. In the areas that we work in, these relationships and such a track record is not only critical, they become barriers for the competition.

The speed and quantum of work coming offshore was significantly impacted by the prevailing environment. Several customers in advanced stages of bringing work offshore reconsidered their plans in the wake of their own business prospects following the global economic downturn and the political climate in the subcontinent. However, the situation has improved in recent months and client visits have increased.