

SSi



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13th Annual Report 2003-2004

If we don't change direction soon, we'll end up where we're going. Irwin Corey.

SSI Limited was founded in 1991. Initially the company offered IT training in emerging software technologies. In 1999, an IT services division was started to offer software services mainly in the financial and government verticals. In February 2003, SSI acquired a controlling stake in training major Aptech Limited, and in April 2003 merged its IT training business with Aptech. In July 2004, SSI's IT services business was merged with Scandent Solutions Corporation Ltd. The mergers reflect the consolidation in the IT industry and have resulted in each of the businesses becoming stronger.

Milestones

Jan 1991

IT training business started

Dec 1994

Initial Public Offering

May 1999

Started IT services business

Jan 2000

Joint-venture with Nasdaq

Feb 2000

\$100 mn GDS, listing on LSE

Dec 2000

Acquired AlbionOrion Company LLC

Feb 2003

Acquired controlling stake in Aptech Limited

Apr 2003

IT Training merged with Aptech

Jul 2004

IT services merged with Scandent

SSI**SSI Limited**

Registered Office : 34 (Old No.54), Thirumalai Road, T.Nagar, Chennai - 600 017.

Thirteenth Annual General Meeting

Wednesday, March 30, 2005
At 10.30 A.M.

Venue : "Kamaraj Arangam"
No.492 (Old No.574-A),
Anna Salai, Teynampet,
Chennai - 600 006.

ADMISSION SLIP

Please handover this admission slip at the
entrance of the Meeting Hall

Folio No. / Client ID :

DP ID :

Holding :

Member

Proxy

NAME OF THE MEMBER / PROXY
(IN CAPITAL LETTERS)

I hereby register my presence at the Meeting

Signature of the Member/Proxy

SSI Limited

Registered Office : 34 (Old No.54), Thirumalai Road, T.Nagar, Chennai - 600 017.

SSI**PROXY FORM**

Folio No. / Client ID :

DP ID :

Holding :

I/We
of in the district of
being a Member / Members of SSI LIMITED hereby
appoint
of or failing him / her
of as my/our Proxy to vote for me/us and on my/our behalf at the THIRTEENTH ANNUAL GENERAL
MEETING of the Company to be held on Wednesday, March 30, 2005 at 10.30 A.M. and at any adjournment(s) thereof.

Signed this day of 2005

PROXY FORM MUST REACH COMPANY'S
REGISTERED OFFICE NOT LATER THAN 48 HOURS
BEFORE THE COMMENCEMENT OF THE MEETING

Affix
Rs.1/-
Revenue
Stamp

Signature

FOR OFFICE USE ONLY

DATE OF RECEIPT



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Board of Directors

Kalpathi S. Suresh – Chairman and CEO
Kalpathi S. Aghoram – Vice Chairman & Managing Director
Kalpathi S. Ganesh – Non-Executive Director
D.V. Narasingarao – Non-Executive Director
R. Manoharan – Non-Executive Director
N.S. Kumar – Non-Executive Director
R. Nagarajan – Non-Executive Director
T.N.C. Varahan – Non-Executive Director

Company Secretary

S.S. Gopalakrishnan

Auditors

CNGSN & Associates,
Chartered Accountants,
"Agastyar Manor",
New No.20 (Old No.13), Raja Street,
T.Nagar, Chennai – 600 017,
India.

Registered Office

34 (Old No.54), Thirumalai Road,
T.Nagar, Chennai – 600 017,
India.
Telefax: +91-44-2834 4197, 2834 1288

Corporate Office

Mena-Kampala Arcade, 1st Floor,
113, Sir Thyagaraya Road,
T.Nagar, Chennai – 600 017,
Inda.
Telephone: +91-44-2815 3620 Fax: +91-44-2815 5824

Bankers

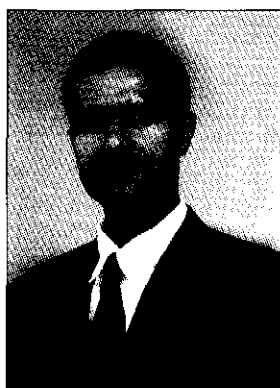
Union Bank of India,
96, G.N. Chetty Road,
T.Nagar, Chennai – 600 017,
India.

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

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

Share Transfer Agent

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



Letter to Shareholders

FY 2003-04 saw a significant restructuring of SSI Limited

Effective July 2004, the IT services business of the Company was separated and merged with Scandent Network Pvt Ltd (subsequently renamed as Scandent Solutions Corporation Ltd). SSI shareholders were given one share of Scandent for every share held in SSI.

This move was taken after careful deliberation and consultations with shareholders, analysts and industry experts.

Over the past two years, it had become increasingly clear that the IT industry had consolidated. It is true that the India outsourcing story is now well established and global companies outsource IT work to Indian companies in abundant measure. However, it is also true that large sized firms are far more likely to be awarded contracts for such work.

By merging our IT Services Business with Scandent, we have augmented the size of the business and created an entity with critical mass and significant potential to grow.

I'm confident our shareholders stand to benefit.

After the restructuring, SSI is poised at an interesting point in its evolution. The Company retains a Board and a core team that has conceptualized and executed two dynamic lines of business—IT training and IT services—through the last decade, a defining moment for business in recent history. The expertise and experience in building and running a worldwide franchise equips us with significant strengths to explore new opportunities.

As a Company, we have the advantage of being in the position of a start-up once again, with all the energy and excitement that it implies. We will take this opportunity to evaluate the business climate and assess opportunities. Then we shall take careful and meaningful steps to set goals and work towards them.

I expect to be in close touch with you as we chart our path for the road ahead.

Kalpathi S. Suresh
Chairman and CEO

Notice for the Thirteenth Annual General Meeting

NOTICE is hereby given that the Thirteenth Annual General Meeting of the Company will be held on Wednesday, the March 30, 2005 at 10.30 A.M. at "Kamaraj Arangam", No.492 (Old No.574-A), Anna Salai, Chennai – 600 006, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at September 30, 2004, the Profit & Loss Account for the year ended September 30, 2004, the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Kalpathi S. Ganesh, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri T.N.C. Varahan, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass, with or without modifications, the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to Section 81(1-A) and other applicable provisions, if any, of the Companies Act, 1956, (including any amendment to or re-enactment thereof), the relevant provisions of the Memorandum and Articles of Association of the Company and the regulations / guidelines prescribed by the Securities and Exchange Board of India and subject to the approvals of Government of India, Reserve Bank of India, if any, and subject to the permissions, consents and sanctions, as may be necessary of other appropriate authorities, institutions or bodies, and further subject to such terms, conditions, alterations, modifications as may be prescribed and specified by them while granting such approvals and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall include any committee(s) which the Board may constitute to exercise the power of the Board including the powers conferred by these Resolutions) the consent, authority and approval of the Company be and is hereby accorded to the Board to issue/offer and allot in the course of offerings in one or more markets, Equity Shares, Convertible Bonds, Securities partly or fully convertible into Equity Shares and/or Securities linked to Equity Shares and/or any Instruments or Securities with or without detachable warrants or such other types of securities representing either Equity Shares or Convertible Securities, including GDSs (hereafter referred as "Securities") as the Company may be advised, to the resident and non-resident shareholders in one or more tranches, as may be deemed appropriate by the Board for an amount not exceeding USD 100 Million on such terms and conditions as the Board may, in its discretion think fit, in consultation with the Lead Managers, including the form and the terms of the issue and the persons to whom such securities may be issued and all other terms and conditions and matters connected therewith and deemed appropriate by the Board.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issue of the Securities may have all or any terms or combination of terms in accordance with normal practice including but not limited to conditions in relation to payment of interest, dividend, premium on redemption or early redemption at the option of the Company and/or to the holder(s) of the Securities and other debt-service payment whatsoever, and all such terms as are provided in offerings of this nature, including terms for issue of additional Equity Shares, of variation of interest payment and of variation of the price or the period of conversion of securities into Equity Shares or issue of Equity Shares during the duration of the securities or terms pertaining to voting rights or option for early redemption of securities.



RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted in accordance with the terms of the offering(s).

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution and any offer, issue and allotment of Securities and Equity Shares or Instruments representing them, the Board of Directors of the Company be and is hereby authorized to accept any modifications in the said proposal as may be required by the authorities involved in such issues in India and to do all such acts, deeds, things and all other incidental matters connected therewith as it may at its absolute discretion deem necessary or desirable for such propose, including but without limitation, the entering into arrangements for underwriting, marketing, listing, trading, appointing of registrar, trustee, depository and such other arrangements and agreements as may be necessary and to issue any offer document(s) and sign all deeds, documents and to pay and remunerate all agencies by way of commission, brokerage, fees, out of pocket expenses or the like in relation thereto with power to the Board to settle all questions, difficulties or doubts that may arise in regard to any such issue, offer or allotment of Securities and utilization of the issue proceeds, as it may in its absolute discretion deem fit."

By Order of the Board,
For SSI LIMITED,

S.S. Gopalakrishnan
Company Secretary

Chennai
December 24, 2004

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from March 23, 2005 to March 30, 2005 (both days inclusive).
3. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the resolutions set out against item No.5 of the Notice is annexed hereto.
4. Pursuant to Section 205A of the Companies Act, 1956, the unclaimed Dividend for the financial year ended June 30, 1996 and thereafter which remain unclaimed for a period of seven years has been transferred to the Investor Education and Protection Fund constituted by the Central Government and thereafter no claim shall lie in respect thereof.
5. Member/Proxy holder must bring the Attendance Slip to the Meeting and hand it over at the entrance duly signed.
6. Members are requested to quote their Registered Folio Number on all correspondence with the Company and notify the Company immediately of change, if any, in their Registered Address and/or of the mandates, if the shares are held in physical form.
7. Members who hold shares in dematerialized form, are requested to notify the Depository Participants immediately of change, if any, in their Registered Address and/or of the mandates.
8. Members who are holding Shares in more than one folio are requested to intimate to the Company the details of all their folio numbers for consolidation into a single folio.

Explanatory Statement under Section 173(2) of the Companies Act, 1956

Item No.5

The Information Technology industry already occupies a significant share of the global economy and its share is expected to further increase in the coming years. According to IDC / NASSCOM forecasts, the global IT Services and IT Enabled Services market will grow substantially in the years to come.

In order to beneficially convert these opportunities, large quantum of resources would be required to expand capabilities internally or through acquisition. Accordingly the Indian and / or international capital markets would be required to be tapped for raising these resources. Since this would require issue of Equity Shares in the form of American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs), American Depositary Shares (ADSs), Global Depositary Shares (GDSs) or any other form of Receipts or Bonds / Debentures convertible fully or partly into Equity Shares and other Securities through public offerings or on private placement basis and in domestic or any international market(s), approval of the members has to be obtained in the General Meeting.

Your Company will work out the mode of financing and utilization plan in consultation with the Advisors, Lead Managers and / or other agencies. Pursuant to this offer, the Securities may be listed on the Stock Exchange(s), whether in India or abroad, as may be deemed fit by the Directors of the Company and may be represented by Depositary Receipts and / or such other Securities. This Resolution gives adequate flexibility in respect of working out the modalities of the issue as also to issue such Securities in such tranche(s), at such times and at such price and / or such other valuable consideration(s) as the Board may in its absolute discretion deem fit.

None of the Directors of your Company are neither interested nor are concerned in the Resolution except to the extent of their shareholding in your Company.

Therefore, the Board recommends the Resolution to the Members for their approval.

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By Order of the Board,
For SSI LIMITED,

Chennai
December 24, 2004

S.S. Gopalakrishnan
Company Secretary



Directors' Report

Your Directors are pleased to present their report on the business and operations of your Company for the year ended September 30, 2004.

Financial Results

(Rs. in lakhs)

	October 2003 to September 2004 (12 months)	July 2002 to September 2003 (15 months)
Gross Revenue	4,481.64	18,044.86
Total Expenditure	2,906.76	11,377.46
Operating Profit (PBIDT)	1,574.88	6,667.40
Interest	227.44	1,502.96
Depreciation	396.40	3,971.09
Profit Before Tax (PBT)	951.04	1,193.35
Provision for Tax	Nil	101.05
Profit After Tax (PAT)	951.04	1,092.30
Provision tax for the previous year no longer required and written back	Nil	(34.45)
Provision for Extra-ordinary and non recurring items	5293.34	Nil
Net profit / (loss) after Extra-ordinary and non recurring items	(4342.30)	1,126.75
Appropriations		
Proposed Dividend %	Nil	10
Total Dividend	Nil	134.68
Tax on distributed profits	Nil	17.25

Results of Operations

During the period under review, the IT Services business was de-merged and subsequently merged with M/s. Scandent Network Private Limited (subsequently renamed as Scandent Solutions Corporation Limited). IT Services business contributed Rs.3,226.45 lakhs to the total revenue of Rs.4,481.64 lakhs.

The current year results include operation of IT Services Business up to July 1, 2004, the day prior to the Appointed Date for de-merger of IT Services business.

Dividend

There is no dividend declared for the year under review. During the previous period of 15 months, the Company declared a 10% dividend (tax free) amounting to Rs.134.68 lakhs.