

SSi



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the future, unlocked

“every day, the sun shines
on a new world of opportunity.”

- Muniyar

SSI Limited, founded in 1991, is a pioneer of IT training in emerging software technologies. The IT services division, begun in 1999, offered software services to the financial and government verticals. In February 2003, SSI acquired a controlling stake in Aptech Limited. In April 2003, SSI merged its IT training business with Aptech Limited. July 2004 saw SSI's IT services business merge with Scandent Solutions Corporation Limited. In July 2005, the controlling interest in Aptech was sold to a strategic player. SSI has since engaged in asset-based businesses that capitalise on emerging opportunities in the resurgent Indian domestic market.

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 million GDS, listing on LSE

Dec 2000

Acquired AlbionOrion Company LLC

Feb 2003

Acquired controlling stake in Aptech Limited

April 2003

IT training merged with Aptech

Jul 2004

IT services merged with Scandent

Jul 2005

Sale of Aptech stake to strategic player

Aug 2005

Acquisition of hotel property in Ooty



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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.

Telephone : +91-44-2834 0016
Fax : +91-44-2834 0047

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.



Notice for the Fourteenth Annual General Meeting

NOTICE is hereby given that the Fourteenth Annual General Meeting of the Company will be held on Thursday, March 23, 2006 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, 2005, the Profit & Loss Account for the year ended September 30, 2005, the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri N.S. Kumar, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri R. Nagarajan, 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 the applicable provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 (hereinafter referred to as the "Delisting Guidelines") and subject to the provisions of the Companies Act, 1956 and the Rules framed there under, Listing Agreement, and all other applicable Rules, Regulations and Guidelines and subject to the approval of Stock Exchanges where the shares of the Company are listed and any other appropriate authority, institutions or regulatory as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this resolution), the consent of the Company be and is hereby accorded to the Board to delist the Equity Shares of the Company from The Stock Exchange, Ahmedabad at such time as the Board may decide.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board or any Committee thereof constituted for this purpose, be authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the Members of the Company."

By Order of the Board
For SSI LIMITED

Chennai
November 23, 2005

S.S. Gopalakrishnan
Company Secretary

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 16, 2006 to March 23, 2006 (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, 1997 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.
9. Appointment / Re-appointment of Directors:

At the ensuing Annual General Meeting, Shri N.S. Kumar and Shri R. Nagarajan retiring by rotation and being eligible offer themselves for re-appointment. The brief resume, experience and functional expertise and the membership on various Boards and Committees of Director proposed to be re-appointed through Item Nos.2 to 3 as required under Clause 49 of the Listing Agreement are furnished below:

1. Shri N.S. Kumar:

Name of the Director	Shri N.S. Kumar
Date of Birth	January 6, 1947
Date of Appointment	March 19, 2001
Experience	Over 25 years of experience in the IT industry and has previously worked with Honeywell Bull, Singapore; Electronic Corporation of India, and Trane Inc., USA.
Qualifications	Master's degree from Ohio University
List of companies in which outside directorship	Electroscan India Ltd., Chennai, India
Chairman / Members of the Committee of the Board of the companies on which he is Director	Nil

2. Shri R. Nagarajan:

Name of the Director	Shri R. Nagarajan
Date of Birth	July 6, 1938
Date of Appointment	March 19, 2001
Experience	over 45 years of experience in Banking and Finance
Qualifications	B.Com. (Hons), C.A.I.I.B.
List of companies in which outside directorship	1. Madras Cements Ltd., Chennai, India 2. Ramco Industries Ltd., Chennai, India 3. Dhandapani Finance Ltd., Chennai, India 4. Lattice Bridge Infotech (P) Ltd., Chennai, India 5. Excel Audit & Management Support Services Pvt. Ltd., Chennai, India
Chairman / Members of the Committee of the Board of the companies on which he is Director	1. Lattice Bridge Infotech (P) Ltd., Chennai, India 2. Excel Audit & Management Support Services Pvt. Ltd., Chennai, India

**Explanatory Statement Under Section 173(2) Of The Companies Act, 1956****ITEM No.5:**

The shares of the Company are presently listed on the Madras Stock Exchange Limited (MSE), Bombay Stock Exchange Limited (BSE) National Stock Exchange of India Limited (NSE), and The Stock Exchange, Ahmedabad (ASE).

The shares of the Company are not presently traded on ASE and the entire trading of the Company's shares is done only at NSE and BSE. These Exchanges have nation-wide trading terminals and therefore provide full liquidity to the investors. In view of this, the delisting of Company's shares from ASE will not have any adverse impact on the investors.

SEBI has permitted companies to delist their shares from any Stock Exchange in accordance with the SEBI (Delisting of Securities) Guidelines, 2003. In accordance with these Guidelines, the Board of Directors of the Company have proposed to delist the shares of the Company from the ASE. These shares of the Company would continue to be listed on the MSE, BSE and NSE.

In line with SEBI Regulations, the approval of the Members by way of a Special Resolution is required for enabling voluntary delisting of its securities from a Stock Exchange. Accordingly, the approval of the shareholders is solicited.

None of the Directors are interested or concerned in the above Resolution.

The Board recommends the Resolutions to the Members for their approval.

By Order of the Board
For SSI LIMITED

Chennai
November 23, 2005

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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, 2005.

Financial Results

(Rs. in lakhs)

Particulars	For the year ended Sep 30, 2005	For the year ended Sep 30, 2004
Gross Revenue	622.36	4,481.64
Total Expenditure	685.08	2,906.76
Operating Profit / (Loss) (PBIDT)	(62.72)	1,574.88
Interest	103.05	227.44
Depreciation	46.22	396.40
Profit / (Loss) Before Tax (PBT)	(211.99)	951.04
Provision for		
(1) Income Tax	0.96	Nil
(2) Fringe Benefit Tax	4.00	Nil
Profit / (Loss) After Tax (PAT)	(216.95)	951.04
Provision for Extra-ordinary and Non-recurring Items	Nil	5,293.34
Net Profit / (Loss) after Extraordinary and Non-recurring Items	(216.95)	(4,342.30)
Appropriations		
Dividend Recommended	Nil	Nil
Transfer to General Reserve	Nil	Nil
Profits / (Loss)	(216.95)	(4,342.30)

Results of Operations

Gross revenue for the year under consideration is Rs.622.36 lakhs as against Rs.4,481.64 lakhs during the previous year. Loss for the year is Rs.216.95 lakhs as compared to a loss of Rs.4,342.30 lakhs during the previous year. The current year gross revenue includes a sum of Rs.302.00 lakhs towards non-compete fees and royalty received for relinquishment of ownership in Aptech Limited and a sum of Rs.147.76 lakhs is on account of profit on sale of shares of Aptech Limited.

The previous year figures 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

No dividend has been recommended, declared or paid by the Board for the year under review.

Increase in Share Capital

During the year under review, your Company has issued and allotted 42,48,000 Equity Shares and 8,73,000 Convertible Warrants to the Promoter Directors of your Company on preferential basis at a price of Rs.40/- per Equity Share / Warrant, which is not less than the pricing of the issue as required under SEBI (Disclosure and Investor Protection) Guidelines, 2000 and complied with all the regulations / guidelines stipulated by them. Pursuant to the above allotment, the paid up equity share capital of the company has increased to 1,77,15,880 shares of par value Rs.10/- each as against 1,34,67,880 shares of par value Rs.10/- each in the previous financial year.



Business

The Company has divested its controlling interest in Aptech and presently holds 18,76,798 Equity Shares in Aptech Limited which constitutes 5.6% of its paid up capital. The Company also holds a stake of 3.64% in Scandent Solution Corporation Limited. The Company does not have any operating revenues during the year under review. The Board is Contemplating various opportunities on hand and will communicate the same at an appropriate time.

Overseas Subsidiaries

During the previous year, the management has decided to wind up its subsidiaries in Australia, Singapore and the United Kingdom. The approval for winding up of the subsidiary in Australia has since been received; the approval is pending for the Singapore and United Kingdom subsidiaries and is expected to be received by the next fiscal.

During the previous year, the Company has de-merged its IT Services Division along with 3 of its overseas subsidiaries, namely, (1) Clientsoft., Inc., California, USA (2) SSIT North America, Minneapolis, USA and (3) IndigoMarkets Ltd., Bermuda and merged the same with Scandent Solutions Corporation Limited.

Domestic Subsidiaries

The Company is holding 94% shares of AGS Holdings Private Limited. The subsidiary owns Development Centers at Vadapalani and Chetpet, which have been leased out to Tata Consultancy Services Limited and Scandent Solutions Corporation Limited, respectively.

The Company is also holding 99.16% shares of AGS Hotels & Resorts Private Limited. The subsidiary has purchased Hotel Ooty Dasaprakash and the renovation work is in progress. The newly renovated Hotel would become operational by mid 2006.

Corporate Governance

SSI has been aligning its management policies with the best practices prevalent worldwide. Your company was among the first companies in Financial Year 1999 to voluntarily disclose its level of conformance with the recommendations made by the Shri. Kumar Mangalam Birla Committee on corporate governance. A detailed report on corporate governance has been included separately in the Annual Report.

Responsibility Statement of Board of Directors

The Directors' responsibility statement setting out the compliance with the accounting and financial reporting requirements specified under Section 217 (2AA) of the Companies Act, 1956, in respect of financial statements is annexed to this report.

Certificate of Auditor on Compliance with Corporate Governance

A certificate from the Auditor of the Company on compliance with Corporate Governance guidelines as stipulated in Clause 49 of the Listing Agreements with the Stock Exchanges is annexed to this report.

Capital Market Developments

As per the mandate of the Securities and Exchange Board of India (SEBI), the shares of SSI can be traded only in dematerialized form. Accordingly, about 75.35% of the Company's shares are electronically held. The GDSs issued by your Company have been listed in the London Stock Exchange Limited.

Liquidity

Your Company has Rs.5,362.49 lakhs in liquid assets in its balance sheet as on September 30, 2005. Your management firmly believes that liquidity is important to help the Company benefit from opportunities that may arise on account of or by a change in the business environment and consequent Company strategy.

Public Deposits

Your Company had public deposits amounting to Rs.63,000/- as on September 30, 2005. All these deposits have matured and are unclaimed as on September 30, 2005 and as on the date of this report.

Directors

Your Directors N.S. Kumar and R. Nagarajan retire by rotation in the forthcoming Annual General Meeting of the Company and being eligible offer themselves for reappointment.

Auditors

CNGSN & Associates, Chartered Accountants, are retiring at the forthcoming Annual General Meeting and are eligible for reappointment.

Particulars of Employees

As required under the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the statement of particulars of employees forms part of this report.

Acknowledgement

Your Directors thank the customers, vendors, investors and bankers for their continued support extended to your Company. Your Directors place on record their appreciation of the contribution made by the employees at various levels.

Your Directors thank the Government of India particularly the Reserve Bank of India, Ministry of Finance, Ministry of Information and Technology, the Government of Tamilnadu, and other Governmental agencies for their support extended during the year and look forward to their continued support. The Directors would also like to place on record their sincere thanks to Union Bank of India and State Bank of Mauritius Limited for their valued support and continued assistance.

For and on behalf of the Board

Chennai
November 23, 2005

Kalpathi S. Suresh
Chairman and CEO

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Information required under Section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988

A. Conservation of Energy

Your Company uses energy efficient equipment on an ongoing basis. Few tests are conducted on the use of equipment like air conditioners and lighting and necessary steps are being taken to conserve energy.

B. Technology Absorption, Adaptation and Innovation

Your company continuously develops and adopts new technologies to aid efficient management of its resources. The Company is in tune with the latest technology changes and observes closely the changes that occurs in the industry.

C. Research and Development

As an organization, your Company engages in ongoing Research and Development in areas that are relevant and in line with its evolving strategic thrust. During this transitional year, there was no spending towards Research and Development.

D. Foreign Exchange Earnings and Outgo

The details of foreign exchange earnings and outgo are given in Item No.16.2.5 of the Notes on Accounts.

For and on behalf of the Board

Chennai
November 23, 2005

Kalpathi S. Suresh
Chairman and CEO