



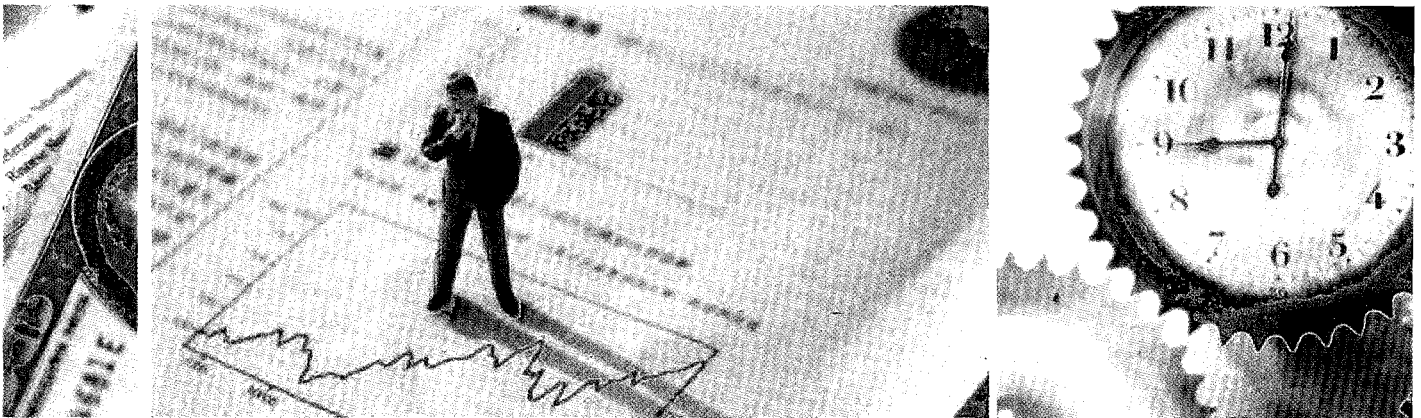
12th Annual Report

12th Annual Report

2006 - 2007

Compulink Systems Limited

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Compulink Systems Ltd.

"Kshitij", Plot No. 38, Rajiv Gandhi Infotech Park, Hinjewadi, Pune 411057, India

Tel: +91 20 6652 8000 Fax: +91 20 6652 8080

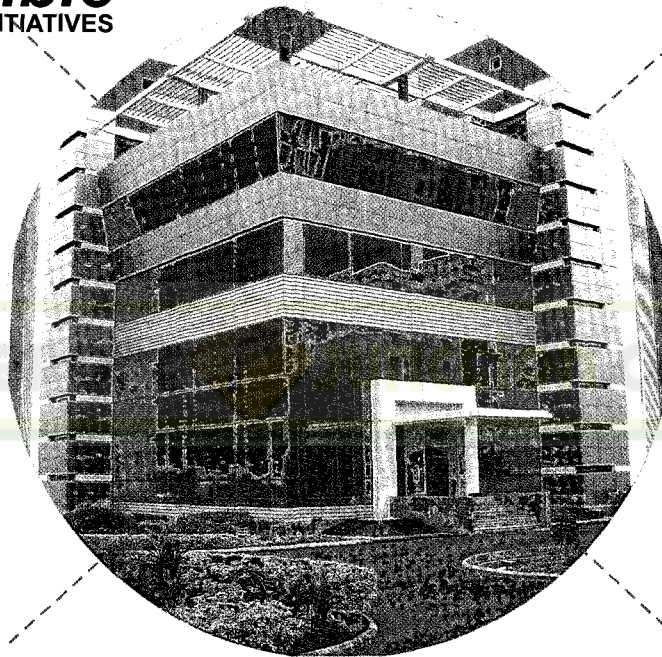
india@compulink.co.in

PELCONTM

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Compulink
Professional
Services



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Board of Directors:

Mr. Uday Kothari
Executive Chairman and Chief Technology Officer

Mr. Vishwas Mahajan
Managing Director and Chief Executive Officer

Mr. Ranjit Thakur
Director and Chief Financial Officer

Mr. Sajit Kumar
Nominee Director, SIDBI Venture Capital Limited

Dr. Shridhar Shukla
Non Executive Independent Director

Mr. Yadunath Deshpande
Non Executive Independent Director

Mr. Achyut Godbole
Non Executive Independent Director

Auditor

M/s Sanjiv Katkar & Associates
Chartered Accountants

Company Secretary

Mr. Sudhakar Vishwanath

Bankers

The Saraswat Co-operative Bank Limited, Pune
Citi Bank, Pune
ICICI Bank Limited, Pune

Registered Office

Compulink Systems Limited

'Kshitij' Plot No 38,
Rajiv Gandhi Infotech Park,
MIDC Hinjewadi,
Pune 411057.
Tel : +91-20-6652 8000
Fax : +91-20-6652 8080
Website : www.compulinkgroup.com

Registrar & Share Transfer Agents

Aarthi Consultants Private Limited

1-2-285, Domalguda
Hyderabad - 500029
Tel : +91-40-27634445/27638111
Fax : +91-40-27632184
E-Mail : info@arthiconsultants.com
Website : www.arthiconsultants.com

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<ul style="list-style-type: none"> ■ Compulink USA Inc. ■ Compulink Europe Limited ■ Compulink Software Pte Ltd. 	

NOTICE

Notice is hereby given that the 12th Annual General Meeting of the Members of Compulink Systems Limited will be held on Friday, the 31st day of August, 2007 at 11.00 a.m. at the Registered office of the Company, Kshitij, Plot No. 38, Rajiv Gandhi Infotech Park, MIDC, Hinjewadi, Pune 411 057 to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Profit and Loss Account for the financial year ended March 31, 2007 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Shridhar Shukla, who retires by rotation and being eligible for reappointment offers himself for re-election.
3. To appoint a Director in place of Shri Yadunath Deshpande, who retires by rotation and being eligible for reappointment offers himself for re-election.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting, and to fix their remuneration and to pass the following Resolution thereof :
 "Resolved That M/s Sanjiv Katkar & Associates, Chartered Accountant, be and are hereby re-appointed as the Auditors of the Company to hold office from conclusion of the next Annual General Meeting, on such remuneration as may be determined by the Board of Directors in consultation with the Auditors, which remuneration may be paid as agreed between the Auditors and the Board of Directors."

SPECIAL BUSINESS :

5. To consider and, if thought fit, to pass with or without modifications, the following as an Special Resolution:
 Resolved That pursuant to the provisions of Section 269 read with Schedule XIII, and other applicable provisions, if any of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof, for the time being in force), approval of the Company be and is hereby accorded for the re-appointment of Mr. Vishwas Mahajan as Managing Director and Chief Executive Officer of the Company for a period of 5 Years, with effect from 25th October, 2007 on the terms and conditions as stated in the explanatory statement and on the remuneration (w.e.f 01/04/2007) set out below :
 1. **Salary Per Month** : Rs.1,91,666.66/-
 (includes 30% variable performance incentive).
 2. **Variable Performance Incentive** is payable quarterly or at other intervals and criterias as may be decided by the Board of Directors (or Remuneration Committee thereon).
 3. **Company performance linked incentive** : Profit Sharing percentages payable at such intervals and criterias as may be decided by the Board of Directors (or Remuneration Committee thereon).
 4. **Perquisites and Allowances** :
 The Gross remuneration can be disbursed to the Managing Director & CEO in a most tax effective manner as per the then prevailing Income Tax Act, 1961 and the rules thereunder. The Managing Director & CEO will be entitled for the various perquisites and as set out herein under :
 - (a) **Housing** :
 Furnished/UnFurnished residential accommodation or house rent allowance upto 10% of the salary in lieu thereof. The expenditure incurred by the Company on gas, electricity, water and furnishings, if any, shall be valued as per Income Tax Rules, 1962.
 - (b) **Medical Reimbursement** :
 Expenses incurred for self and his family within reasonable limits as decided by the Management.
 - (c) **Leave Travel Concession** :
 Leave travel concession for self and his family once in a year to and from any place in India or outside India but to the extent of the limit prescribed by the Company for travel within India.

AGM Notice**(d) Club Fees :**

Fees in respect of two Clubs to be borne by the Company including admission or life membership fees.

(e) Provident Fund :

The Company's contribution to Provident Fund, as per Rules of the Company will not be included in the computation of the Gross Remuneration.

(f) Gratuity :

If applicable Gratuity not exceeding one half-month's salary for each completed year of service or as per the then prevailing enactment and rules thereunder.

(g) Superannuation Fund :

Superannuation Fund or Annuity Fund benefit in accordance with the scheme of the Company.

(h) Motor Car :

Free use of car with Chauffeur for the Company's business and all the expenditure in connection therewith being borne by the Company.

(i) Telephone :

Telephone at residence.

Minimum Remuneration :

Resolved Further That notwithstanding anything herein above stated where in any financial year closing on and or after 31st March, 2007, the Company incurs a loss or its profits are inadequate, the Company shall pay to Mr. Vishwas Mahajan the remuneration by way of Salary, other incentives and allowances not exceeding the applicable limits specified under Section II, Part II of Schedule XIII to the Companies Act, 1956 (including any statutory modifications or reenactment(s) thereof, for the time being in force), or such other additional remuneration as may be prescribed or approved by the Government from time to time on its own accord or on application made by the Company.

Resolved Further that the Board of Directors (or Remuneration Committee thereon) be and are hereby authorised to vary alter or modify the different components of the above-stated remuneration as may be agreed to by the Board of Directors and Mr. Vishwas Mahajan.

6. To consider and, if thought fit, to pass with or without modifications, the following as an Special Resolution :

Resolved That pursuant to the provisions of Section 269 read with Schedule XIII, and other applicable provisions, if any of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof, for the time being in force), approval of the Company be and is hereby accorded for the re-appointment of Uday Kothari as Chairman & CTO of the Company for a period of 5 Years, with effect from 25th October, 2007 on the terms and conditions as stated in the explanatory statement and on the remuneration (w.e.f 01/04/2007) set out below:

- 1. Salary Per Month :** Rs.1,91,666.66/- (includes 30% variable performance incentive).
- 2. Variable Performance Incentive** is payable quarterly or at other intervals and criterias as may be decided by the Board of Directors (or Remuneration Committee thereon).
- 3. Company performance linked incentive :** Profit Sharing percentages payable at such intervals and criterias as may be decided by the Board of Directors (or Remuneration Committee thereon).
- 4. Perquisites and Allowances :** The Gross remuneration can be disbursed to Chairman & CTO in a most tax effective manner as per the then prevailing Income Tax Act, 1961 and the rules thereunder. The Chairman & CTO will be entitled for the various perquisites and as set out herein under :

(a) Housing :

Furnished/Un Furnished residential accommodation or house rent allowance upto 10% of the salary in lieu thereof. The expenditure incurred by the Company on gas, electricity, water and furnishings, if any, shall be valued as per Income Tax Rules, 1962.

(b) Medical Reimbursement :

Expenses incurred for self and his family within reasonable limits as decided by the Management.

(c) Leave Travel Concession :

Leave travel concession for self and his family once in a year to and from any place in India or outside India but to the extent of the limit prescribed by the Company for travel within India.

(d) Club Fees

Fees in respect of two Clubs to be borne by the Company including admission or life membership fees.

(e) Provident Fund :

The Company's contribution to Provident Fund, as per Rules of the Company will not be included in the computation of the Gross Remuneration.

(f) Gratuity :

If applicable Gratuity not exceeding one half-month's salary for each completed year of service or as per the then prevailing enactment and rules thereunder.

(g) Superannuation Fund :

Superannuation Fund or Annuity Fund benefit in accordance with the scheme of the Company.

(h) Motor Car :

Free use of car with Chauffeur for the Company's business and all the expenditure in connection therewith being borne by the Company.

(i) Telephone :

Telephone at residence.

Minimum Remuneration :

Resolved Further That notwithstanding anything herein above stated where in any financial year closing on and or after 31st March, 2007, the Company incurs a loss or its profits are inadequate, the Company shall pay to Mr Uday Kothari the remuneration by way of Salary, other incentives and allowances not exceeding the applicable limits specified under Section II, Part II of Schedule XIII to the Companies Act, 1956 (including any statutory modifications or reenactment(s) thereof, for the time being in force), or such other additional remuneration as may be prescribed or approved by the Government from time to time on its own accord or on application made by the Company.

Resolved Further that the Board of Directors (or Remuneration Committee thereon) be and are hereby authorised to vary alter or modify the different components of the above-stated remuneration as may be agreed to by the Board of Directors and Mr.Uday Kothari.

7. To consider and, if thought fit, to pass with or without modifications, the following as an Special Resolution :

Resolved That pursuant to the provisions of Section 269 read with Schedule XIII, and other applicable provisions, if any of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof, for the time being in force), approval of the Company be and is hereby accorded for the re-appointment of Ranjit Thakur as Director & CFO of the Company for a period of 5 Years, with effect from 25th October, 2007 on the terms and conditions as stated in the explanatory statement and on the remuneration (w.e.f 01/04/2007) set out below :

1. **Salary Per Month** : Rs.1,87,550/- (includes 30% variable performance incentive).
2. **Variable Performance Incentive** is payable quarterly or at other intervals and criterias as may be decided by the Board of Directors (or Remuneration Committee thereon).
3. **Company performance linked incentive** : Profit Sharing percentages payable at such intervals and criteria as may be decided by the Board of Directors (or Remuneration Committee thereon).
4. **Perquisites and Allowances** : The Gross remuneration can be disbursed to Director & CFO in a most tax effective manner as per the then prevailing Income Tax Act, 1961 and the rules thereunder. The Director & CFO will be entitled for the various perquisites and as set out herein under :

AGM Notice**(a) Housing :**

Furnished/Un Furnished residential accommodation or house rent allowance upto 10% of the salary in lieu thereof. The expenditure incurred by the Company on gas, electricity, water and furnishings, if any, shall be valued as per Income Tax Rules, 1962.

(b) Medical Reimbursement :

Expenses incurred for self and his family within reasonable limits as decided by the Management.

(c) Leave Travel Concession :

Leave travel concession for self and his family once in a year to and from any place in India or outside India but to the extent of the limit prescribed by the Company for travel within India.

(d) Club Fees

Fees in respect of two Clubs to be borne by the Company including admission or life membership fees.

(e) Provident Fund :

The Company's contribution to Provident Fund, as per Rules of the Company will not be included in the computation of the Gross Remuneration.

(f) Gratuity :

If applicable Gratuity not exceeding one half-month's salary for each completed year of service or as per the then prevailing enactment and rules thereunder.

(g) Superannuation Fund :

Superannuation Fund or Annuity Fund benefit in accordance with the scheme of the Company.

(h) Motor Car :

Free use of car with Chauffeur for the Company's business and all the expenditure in connection therewith being borne by the Company.

(i) Telephone :

Telephone at residence.

Minimum Remuneration :

Resolved Further That notwithstanding anything herein above stated where in any financial year closing on and or after 31st March, 2007, the Company incurs a loss or its profits are inadequate, the Company shall pay to Mr Ranjit Thakur the remuneration by way of Salary, other incentives and allowances not exceeding the applicable limits specified under Section II, Part II of Schedule XIII to the Companies Act, 1956 (including any statutory modifications or reenactment(s) thereof, for the time being in force), or such other additional remuneration as may be prescribed or approved by the Government from time to time on its own accord or on application made by the Company.

Resolved Further that the Board of Directors (or Remuneration Committee thereon) be and are hereby authorised to vary alter or modify the different components of the above-stated remuneration as may be agreed to by the Board of Directors and Mr. Ranjit Thakur.

8. To consider and, if thought fit, to pass with or without modifications, the following resolution as Ordinary Resolution.

"RESOLVED THAT in accordance with the Provisions of Section 257 and all other applicable provisions, if any of the Companies Act, 1956 or any statutory modifications or re-enactment thereof, Mr. Achyut Godbole who was appointed as an Additional Director pursuant to provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company subject to retirement by rotation under the provisions of the Articles of Association of the Company".

9. To consider and, if thought fit, to pass with or without modifications, the following resolution as Special Resolution :

"RESOLVED THAT pursuant to the provisions of Sections 309, 314 and other applicable provisions, if any, of the Companies Act, 1956, Mr. Achyut Godbole, Non Executive Independent Director, who possesses the requisite qualifications for practice of the profession, be and is hereby appointed as Management Consultant of the Company w.e.f. 1st August, 2007 and subject to the opinion/approval of the Central Government be paid remuneration for his professional services rendered / to be rendered to the Company as Management Consultant, w.e.f. 1st August, 2007, in the manner as laid down below :

i) Professional Consultancy Fee :

Fixed Fees of Rs.1,20,000/-(One Lac Twenty Thousand) per month for rendering consultancy services to the company plus Services Tax as applicable.

ii) Period of Service :

One year or such period as decided by the Board.

Further Resolved that Mr. Achyut Godbole be entitled for Managerial remuneration by way of commission as a percentage of Net profits of the company as decided by the Board of Directors of the Company from time to time and that such remuneration paid to all the non-executive directors together shall not exceed one per cent of the net profits of the company for the financial year for which such remuneration is paid."

FOR COMPULINK SYSTEMS LIMITED

Place : Pune
 Date : 31st July, 2007

Vishwas Mahajan
 Managing Director & CEO

NOTES

1. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. THE PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
4. Relevant documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. up to the date of the Meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 24th August 2007 to 31st August 2007 (both days inclusive).
6. Members holding shares in physical form are requested to approach their respective depository participants and dematerialize their shareholding at the earliest.

Explanatory Statement



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

Item No 5 :

Mr.Vishwas Mahajan was appointed as the Managing Director & CEO for a period of 3 Years from 25th October 2004 and remuneration as per schedule XIII was valid up to 25th October,2007. The Board /Remuneration committee in their meeting held on 31st July,2007 have decided to re-appoint Mr Vishwas Mahajan as Managing Director & CEO for a further period of 5 Years from 25th October,2007.

The appointment is subject to approval of members, the terms and conditions of appointment are as follows :

1. Period of appointment : 5 Years beginning from 25th October,2007
2. Details of remuneration : As provided in the Resolution
3. The agreement shall be terminable by the Company by giving notice of 6(Six) months of such termination or on payment of 6 (Six) months' salary in lieu thereof and by the M.D. & CEO with a notice period of three months to the Company.

No Director except Mr.Vishwas Mahajan is deemed to be interested or concerned in his re-appointment and remuneration payable to him as Managing Director.

The Terms of re-appointment of Mr.Vishwas Mahajan as stated in this notice, may be treated as the abstract under Section 302 of the Companies Act,1956. The Copies of the relevant resolutions of the Board in respect of the re-appointment is available for inspection by members at the registered office of the Company during working hours on any working day till the date of this Annual General Meeting. The Board accordingly recommends the Resolution as set out in Item No 5 for approval of the Members. The information as required under Schedule XIII Part II section II is also provided separately as a part of the explanatory statement.

Item No 6 :

Mr.Uday Kothari was appointed as the Chairman and CTO for a period of 3 Years from 25th October 2004 and remuneration as per schedule XIII was valid up to 25th October,2007. The Board /Remuneration committee in their meeting held on 31st July,2007 have decided to re-appoint Mr Uday Kothari as Chairman & CTO for a further period of 5 Years from 25th October,2007.

The appointment is subject to approval of members, the terms and conditions of appointment are as follows :

1. Period of appointment : 5 Years beginning from 25th October,2007
2. Details of remuneration : As provided in the Resolution
3. The agreement shall be terminable by the Company by giving notice of 6(Six) months of such termination or on payment of 6 (Six) months' salary in lieu thereof and by the Chairman & CTO with a notice period of three months to the Company.

No Director except Mr.Uday Kothari is deemed to be interested or concerned in his re-appointment and remuneration payable to him as a Whole Time Director.

The Terms of re-appointment of Mr.Uday Kothari as stated in this notice, may be treated as the abstract under Section 302 of the Companies Act,1956. The Copies of the relevant resolutions of the Board in respect of the re-appointment is available for inspection by members at the registered office of the Company during working hours on any working day till the date of this Annual General Meeting. The Board accordingly recommends the Resolution as set out in Item No 6 for approval of the Members. The information as required under Schedule XIII Part II section II is also provided separately as a part of the explanatory statement.

Item No 7 :

Mr.Ranjit Thakur was appointed as the Director & CFO for a period of 3 Years from 25th October 2004 and remuneration as per schedule XIII was valid up to 25th October,2007. The Board/Remuneration committee in their meeting held on 20th January,2007 have decided to re-appoint Mr Ranjit Thakur as Director & CFO for a further period of 5 Years from 25th October,2007.

The appointment is subject to approval of members, the terms and conditions of appointment are as follows :

1. Period of appointment : 5 Years beginning from 25th October,2007.
2. Details of remuneration : As provided in the Resolution
3. The agreement shall be terminable by the Company by giving notice of 6(Six) months of such termination or on payment of 6 (Six) months' salary in lieu thereof and by the Director & CFO with a notice period of three months to the Company.

No Director except Mr. Ranjit Thakur is deemed to be interested or concerned in his re-appointment and remuneration payable to him as a Whole Time Director.

The Terms of re-appointment of Mr.Ranjit Thakur as stated in this notice, may be treated as the abstract under Section 302 of the Companies Act,1956. The Copies of the relevant resolutions of the Board in respect of the re-appointment is available for inspection by members at the registered office of the Company during working hours on any working day till the date of this Annual General Meeting. The Board accordingly recommends the Resolution as set out in Item No. 7 for approval of the Members. The information as required under Schedule XIII Part II section II is also provided separately as a part of the explanatory statement.

Item No 8 and 9 :

Mr. Achyut Godbole was appointed as an Additional Director of the company with effect from July 31, 2007,pursuant to section 260 of the Companies Act, 1956. While Mr.Achyut Godbole shall be on Board of Directors as an Non Executive and Independent Director, the Company shall also be availing services from Mr. Achyut Godbole in his professional capacity.

Mr. Godbole is a B.Tech (Chemical Engineer) and possesses over 30 years of experience in Software Development in India and UK in world renowned Companies.

He has been instrumental in designing and implementing ERP packages in many Companies worldwide and has contributed in building of companies such as Patni, Syntel, Apar Technologies, Disha Technologies.

Mr. Godbole bring on the table a very rich and vast experience from the Information Technology industry and the company shall be immensely benefited under his guidance.

The Board accordingly recommends the Resolution as set out in Item No 8 and 9 for approval of the Members. No Director except Mr. Achyut Godbole is deemed to be interested or concerned in his re-appointment and remuneration payable to him.

The information as required under Schedule XIII Part II section II is also given below for Item No.5,6 & 7 :

I. GENERAL INFORMATION ABOUT THE COMPANY

1.	Nature of Industry	Information Technology
2.	Date or expected date of commencement of commercial production	Not Applicable (The Company is an existing Company)
3.	In case of new companies, expected date of commencement of activities as per project approved by the financial institutions appearing in the prospectus:	Not Applicable
4.	Financial performance based on given indicators: Total Revenue Net Profit/(Loss)	Period: 1st April 2006 to 31st March 2007 Rs.1534.83 Lacs Rs. 10.79 Lacs
5	Export performance and net foreign exchange collaborations	The Export for the Period: 1st April 2006 to 31st March 2007 was Rs.674.07 Crores. The Company does not have any foreign collaboration.
6.	Foreign investments or collaborators, if any.	Not Applicable