



13th Annual Report 2007 - 2008



ORCHESTRATING PERFORMANCE



Initiatives

Execution

Talent

Organizations exist to realize a vision and achieve goals, and need systems to make that vision a reality.

Compulink provides the systems that bring together diverse teams and processes, ensure the proper flow of information and create a platform for collaboration.

Our **Whizible™** Suite of products '**orchestrate performance**' in organizations by providing the information flows and collaborative platforms required for sound management.

Our **Whiz® Framework** synthesizes our 200+person years of experience in developing over fifty products to build scalable, robust and usable web applications for our customers.

PELCON™, our training team, empowers organizations to garner the necessary skills to execute projects successfully and optimize on available resources.

Compulink is an Intellectual Property led organization driven by a passion for creating original products and solutions.

MILESTONES

1996

- Compulink incorporated as a Private Limited Company

2000

- ISO 9001:2000 certification by TUV Germany

2001

- Compulink launches Flagship product ProjectByNet

2004

- Compulink assessed at SEI CMM Level 4
- Winner of NASSCOM Innovation Award in 2005
- Established subsidiary in UK - Compulink Europe
- 24x7 Global Support Center inaugurated

2005

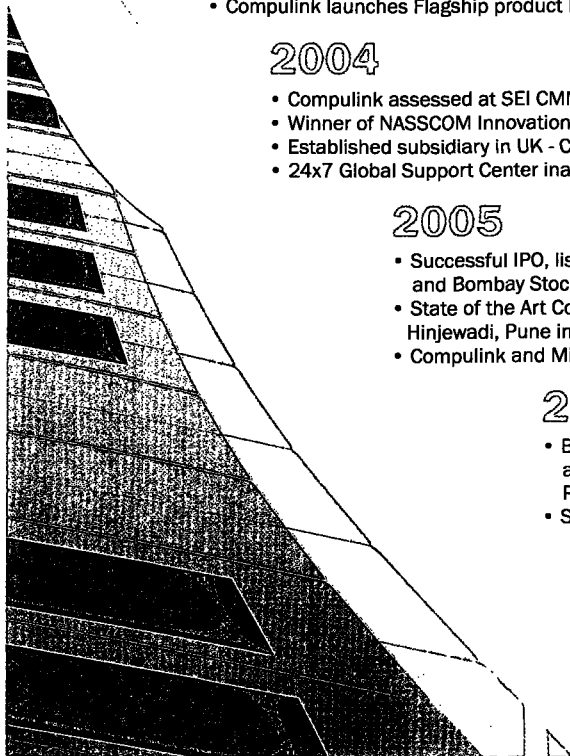
- Successful IPO, listed on National Stock Exchange and Bombay Stock Exchange
- State of the Art Corporate Campus at Rajiv Gandhi IT Park, Hinjewadi, Pune inaugurated
- Compulink and Microsoft launch Enterprise Project Management Solution

2006

- Becomes 'Microsoft Gold Certified Partner', First to Market Partner and member of its Technology Adoption Program (TAP) and Partner Advantage Program (PAP)
- Subsidiaries in Redmond, WA, USA and Singapore operational

2007

- Range of products and solutions based on WHIZ™ Framework and Whizible™ launched
- Foray into Complete Solution for Microfinance, Initiatives Management, Strategy Management, in addition to Execution Management and Project Server 2007 based Whizible 2007
- First 'Whizible™ User and Partner Conference' held in Pune, India



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
(Resigned w.e.f. June 26, 2008)

Auditor

M/s Sanjay Katkar and Associates
Chartered Accountants

Company Secretary

Mr. Ravindra R. Dhupkar

Bankers

The Sarswat 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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- Compulink USA Inc.
- Compulink Europe Limited
- Compulink Software Pte. Ltd.

NOTICE

Notice is hereby given that the 13th Annual General Meeting of the Members of Compulink Systems Limited will be held on Thursday, the 21st day of August, 2008 at 11.00 a.m. at the Registered office of the Company at 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, 2008 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Dr. Shridhar Shukla, who retires by rotation and being eligible for reappointment offers himself for re-election.
4. To appoint a Director in place of Mr. Yadunath Deshpande, who retires by rotation and being eligible for reappointment offers himself for re-election.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.



Place: Pune
 Date: June 26, 2008

Vishwas Mahajan
 Managing Director & CEO

NOTES:

1. 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. 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.
2. The Register of Members and Share Transfer Books of the Company will remain closed from August 14, 2008 to August 21, 2008 (both days inclusive).
3. Final dividend on Equity Shares as recommended by the Directors, when declared at the meeting, will be paid on or before Sep. 20, 2008 :-
 - a) To those members whose names appear on the Company's Register of Members after giving effect to all valid shares transfers in physical form lodged with Aarthi Consultants Pvt. Ltd., Registrar and Share Transfer Agents on or before Aug. 13, 2008.
 - b) In respect of shares held in electronic form, to those "Deemed Members" whose names appear in the statement of beneficial ownership furnished by NSDL and CDSL as at the opening hours of Aug. 14, 2008.
4. Members holding shares in physical form are requested to approach their respective depository participants and dematerialize their shareholding.

BRIEF DETAILS OF NON-EXECUTIVE DIRECTORS SEEKING RE-APPOINTMENT PURSUANT TO CLAUSE 49 (IV) (G) (i) OF THE LISTING AGREEMENT :

SR. NO.	PARTICULARS	DETAILS	DETAILS
1.	NAME OF DIRECTOR	Dr. Shridhar Shukla	Mr. Yadunath Deshpande
2.	AGE	46 Years	55 Years
3.	DETAILS OF APPOINTMENT	Appointed as an Additional Director in the Board Meeting held on April 28, 2006 and subsequently appointed by shareholders in the meeting held on September 29, 2006	Appointed as an Additional Director in the Board Meeting held on August 25, 2006 and subsequently appointed by shareholders in the meeting held on September 29, 2006
4.	QUALIFICATIONS	BE (Electrical) from IIT, Mumbai MS (Electrical Engineering) from Virginia Tech. Phd in Computer Science from North Carolina State University (for work in multi-computer routing)	BE (Electronics and Telecommunication) from Indian Institute of Science, Bangalore.
5.	EXPERIENCE/EXPERTISE, OTHER DIRECTORSHIPS	Past Director and COO in Persistent Systems Pvt. Ltd. Worked as an Assistant Professor at the US Naval Post Graduate School, California and conducted research in multicast protocols. Currently the Managing Director and Co-Founder of Great Software Laboratory Pvt. Ltd., which is engaged in the development of technology for secure communication networks.	Mr. Yadunath Deshpande has vast experience in the field of Data Communications and Telecommunication Networks and has worked for over 15 years in Societe Internationale de Telecommunications Aeronautiques (SITA) in the Gulf Region. From the year 1997 he is into business and is also a Director in Aerosoft Systems Private Limited.
6.	Shareholding in Compulink Systems Limited	None	5143 Equity Shares of Face Value Rs.10/- each

Dear Members,

Your Directors are pleased to place before you the 13th Annual Report for the financial year ended March 31, 2008.

The following table is a snapshot of the Year on Year performance and growth:

Financial Results**(Rs. in lacs, except per share)**

PARTICULARS	Year Ended March 31, 2008 (Rs.)	Year Ended March 31, 2007 (Rs.)	YOY growth in 2007-08 over 2006-07 (%)	YOY growth in 2007-08 over 2006-07 (Rs.)
Total Income	1821.63	1534.83	18.69	286.80
- Export Revenues	697.43	674.07	3.47	23.36
- Domestic Revenues	1064.24	798.87	33.22	265.37
Total Expenditure	1398.19	1270.61	10.04	127.58
Operating Profit (PBIDTA)	423.44	264.22	60.26	159.22
Depreciation	214.44	215.89	(0.67)	(1.44)
Finance Cost	12.65	24.14	(47.60)	(11.50)
Prior period expenditure	2.83	--	--	2.83
Profit before tax	193.52	24.20	799.67	169.32
Provision for tax	19.81	13.40	47.84	6.41
Profit after tax	173.31	10.80	604.72	162.51
Dividend	51.85	Nil	--	51.85
Tax on dividend	8.81	Nil	--	8.81
Basic earnings per share	1.68	0.10	1580.00	1.58
Paid up Equity share capital	1036.92	1036.92	--	NIL
Reserves	2045.23	1979.79	3.44	68.05

Company Business Overview:

In December 2007, we gave you an overview of the business and the strategies we have put in place. These have resulted in keeping the costs at around the same level year on year for three years. At the same time, sales have increased consistently. Please allow us to make some points in relation to the business. We have made some of these points in our earlier communications as well.

Compulink and its business model:

Compulink is an IT company that has a business model that is very different from the industry. While most IT companies in India are 'Service' entities that provide a variety of IT and IT enabled services to its clientele, Compulink has chosen a 'less traveled' path. We are a predominantly product company with our own IPR (Intellectual Property Rights). It is important that, as shareholders, you understand this key difference.

Directors' Report



What does this business model mean to investors?

The products business is, by nature, a business with longer gestation time. Also, the risks and rewards tend to be much higher. Also, the sales cycles related to product business tend to skew quarterly revenues.

Your company is constantly working on strategies to minimize these risks and get higher rewards.

Rewards at the end or when critical mass is achieved, are much higher because product business generates continuous revenue on additional licenses, maintenance and consulting.

Made by Indians AND Made in India

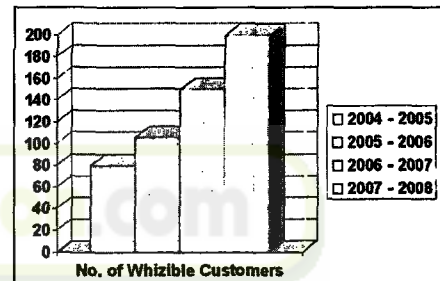
With the Indian software professionals working for large global corporations and Indian companies servicing these corporates, software made by Indians is a known and accepted phenomenon. The whole 'outsourcing' wave is working the demographic advantage for India and its skilled labor force.

Made in India software products are still somewhat of exceptions.

Your company is one of the few companies that are creating software products made by Indians AND made in India that organizations world over pay royalty to license to use. This is a matter of pride for all of us, members of this company, as well as its team of loyal employees.

Progress So Far:

We are happy to inform you that your company today has more than 190 customers in 10 countries with total user base of more than 100,000. This is a strong foundation to build upon.



First Whizible User Meet:

We celebrated a key milestone in our journey, that of reaching 100,000 licensed users for our products. To do so, we hosted 'Whizible Users and Partner Summit' on 22-23 November, 2007. This event was attended by luminaries of the industry and customer base and received a good response. Additional details of this are on our website on www.Compulinkgroup.com/usermeet/usermeet.htm

Product Update

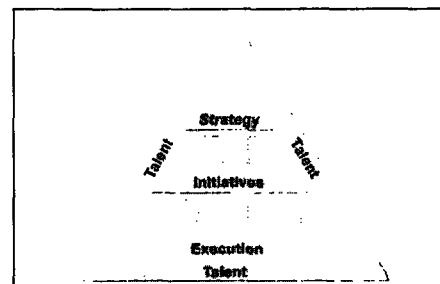
Following up on our new products initiatives, we've created a whole new positioning around Whizible as a brand. Compulink Whizible now has a suite of solutions, that 'Orchestrate Performance' in an organization.

Our suite consists of;

Whizible Strategy, an organization score card, strategy articulation, review and score card product that meets the requirement of senior management.

The Whizible initiatives product that allows organization to create a stage-gate and workflow in executing various initiatives.

Our flagship service execution product, the Whizible execution continues to power the program and project management needs in a holistic manner for professional service and knowledge worker.



In addition, the Whizible talent, looks at organization needs for recruiting, retaining and rewarding human talent.

Working in combination or by themselves these solutions enable customers to orchestrate the performance of their organization.

With these offerings, we expect to significantly increase the addressable market for our products.

Market Development Initiatives

Our Asia-Pacific operations have begun to generate customers and revenue for us. We have acquired customers in Singapore, Philippines, Vietnam, Malaysia and China. We expect the APAC markets to grow for us in the near future.

In the US, we have tied closely with Microsoft and are now on the forefront with their teams on multiple initiatives.

India market continues to be our key market, where our product is a leader in the 'Service Execution Management' for IT and Engineering Services verticals. We are also happy to inform you about some marquee customer wins. In BFSI sector, we have won business from ICICI Bank, SKS Microfinance, SBI Life, Barclays Bank and others. In Engineering, we have added, additional companies from Tata Group, John Deere, Honeywell and others to our list.

Services Initiatives

Our expertise in building product has generated interest in small product companies that want to utilize this to gain competitive advantage. It has been our plan to augment the product revenue with sustained services business to better balance our team composition and provide a cushion for bumpiness of product revenue cycles. Our US office in Redmond is spearheading our efforts in this direction.

Consulting

Compulink continues to position itself as 'domain expert' in the field of Project Management. Our e-Learning products, our Consulting and Implementation practice is small but steady part of our business that we continue to focus on.

Dividend

The Directors are pleased to recommend a final dividend of Rs. 0.50 per fully paid-up equity share. The dividend, if declared at the AGM by the shareholders of the Company, will be paid to those shareholders of the Company whose names appear on the Register of Members as on August 13, 2008

Team Compulink

Our team members continue to be at the heart of our business. It is their continued passion and commitment in face of odds is what keeps us going. We have invested substantially in the development of our human resources and we believe that this is the best investment we can make.

Our reorganization into different business units has created 'intrapreneurs' that have shouldered the P&L responsibilities of running these business units.

Subsidiaries

- a) Compulink USA Inc, a Wholly Owned Subsidiary of Compulink India incorporated under the laws of State of Delaware, USA, closed the year March 31, 2008 with a Net Loss of US\$ 162,784 (US \$ 215,766 in year 2007)

Directors' Report



- b) Compulink Europe Limited, a Wholly Owned Subsidiary of Compulink India, under the Corporate laws of England and Wales, UK, closed the year March 31, 2008 with a Net Profit of GBP 12,519 as against loss of GBP 27,195 in 2007.
- c) Compulink Software Pte. Limited, a Wholly Owned Subsidiary of Compulink India, incorporated under the Corporate laws of Singapore, closed the year March 31, 2008 with a Net Loss of SGD 413,360 (SGD 198,063 in year 2007)

ESOP

The Disclosure required under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 has been annexed to this Report.

Directors

Mr. Achyut Godbole who was appointed as the Director in the AGM held on August 31, 2007 resigned from his office due to other commitments. The Board wishes to place on record its appreciation for the contribution made by Mr. Godbole.

The Directors of your Company Dr. Shridhar Shukla and Mr. Yadunath Deshpande retire at the Annual General Meeting and being eligible offer themselves for re-appointment.

Directors' Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. The directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period.
3. That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. That the directors have prepared Annual accounts on going concern basis.

Auditors

During the year, the name of the firm of our Statutory Auditors M/s. Sanjeev Katkar & Associates, Chartered Accountants, has been changed to M/s. Sanjay Katkar & Associates. However, there is no change in the constitution of the firm. The Company has received a letter to that effect from the Statutory Auditors.

M/s. Sanjay Katkar & Associates hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The company has received letter from M/s. Sanjay Katkar & Associates, Chartered Accountants to the effect that their appointment, if made, shall be within the limits laid down by section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such appointment within the meaning of Section 226 of the said Act.

Particulars of Employees:

There were no employees drawing remuneration in excess of the limits prescribed under section 217(2A) of the Act, read with the Companies (Particulars of Employees) Rules, 1975, as amended, for the year ended March 31, 2008.

Conservation Of Energy, Research and Development, Technology Absorption, Foreign Earnings And Outgo

The particulars as prescribed under Subsection (1)(e) of Section 217 of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988, are set out in the annexure included in this report.

Corporate Governance

As per Clause 49 of the Listing Agreement, a report on Corporate Governance together with Management Discussion and Analysis Report and Certificate from Practising Company Secretary is annexed to this Report.

Acknowledgement

Your directors thank the company's clients, employees, vendors, SIDBI Venture Capital Limited, investors and bankers for their continued support during the year.

Your directors thank the Government of India, particularly department of Information Technology, Customs and Excise, Income Tax, Software Technology Parks of India, Pune and other government agencies for their overall support and look forward for their continued support in the future.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF
COMPULINK SYSTEMS LIMITED

Place: Pune
 Date: June 26, 2008

Vishwas Mahajan
Managing Director & CEO

Uday Kothari
Chairman & CTO