



COMPULINK
Linkup and Leverage

**14th Annual Report
2008 - 2009**



ORCHESTRATING PERFORMANCE



Strategy

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

- Compulink incorporated as a Private Limited Company

- ISO 9001:2000 certification by TUV Germany

- Compulink launches Flagship product ProjectByNet

- 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

- 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

- 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

- 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 14th Annual General Meeting of the Members of Compulink Systems Limited will be held on Friday, the 25th day of September, 2009 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 Balance Sheet as at March 31, 2009 and Profit and Loss Account for the year ended on that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Dr. Shridhar Shukla, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Yadunath Deshpande, who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution
 RESOLVED THAT M/s. V. G. Dadhe & Co, Chartered Accountants be and are hereby appointed as the Statutory Auditors of the Company in place of the retiring Statutory Auditors, to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting and authorise the Board of Directors to fix their remuneration.



FOR COMPULINK SYSTEMS LIMITED

July 31, 2009

Pune

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 Thursday, September 17, 2009 to Friday, September 25, 2009 (both days inclusive).
3. Members holding shares in physical form are requested to approach their respective depository participants and dematerialize their shareholding.

Explanatory Statement pursuant to Section 173 of the Companies Act, 1956:

Item No 4:

M/s Sanjay Katkar & Associates are the Statutory Auditors of the Company. The experience of M/s Sanjay Katkar & Associates as the Statutory Auditors of the Company and their knowledge of the business of the Company could be leveraged to have an independent Internal Audit function. The Directors, in their meeting, have appointed M/s. Sanjay Katkar & Associates as Internal Auditors of the Company. To maintain the independence of the internal audit function, M/s. Sanjay Katkar & Associates have expressed their unwillingness to continue as the Statutory Auditors of the Company after the conclusion of the ensuing Annual General Meeting. Hence it is proposed to appoint M/s. V. G. Dadhe & Co., Chartered Accountants as the Statutory Auditors of the Company.

The Company has received a notice from a member of the Company proposing the name of M/s. V. G. Dadhe & Co., Chartered Accountants as the Statutory Auditors of the Company.

The Members' approval is being sought for the appointment of M/s. V. G. Dadhe & Co., Chartered Accountants as the Statutory Auditors in place of the retiring Statutory Auditors.

The Directors commend the Resolution at item no 4 for approval by the members.

None of the Directors are interested or concerned in the Resolution at item no 4.

FOR COMPULINK SYSTEMS LIMITED

July 31, 2009

Pune

Vishwas Mahajan

Managing Director & CEO

BRIEF DETAILS OF NON-EXECUTIVE DIRECTOR'S 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	48 Years	57 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	<ul style="list-style-type: none"> - 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) 	<ul style="list-style-type: none"> - BE (Electronics & Telecommunication) from Indian Institute of Science, Bangalore.
5.	EXPERIENCE/EXPERTISE, OTHER DIRECTORSHIPS	<ul style="list-style-type: none"> - Past Director and COO in Persistent Systems 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. 	<ul style="list-style-type: none"> - 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. - Director in Aerosoft Systems Private Limited from the year 1997.
6.	Shareholding in Compulink Systems Ltd.	NIL	46,060 Equity Shares of Face Value Rs.10 each

Dear Members,

Your Directors are pleased to place before you the 14th Annual Report for the financial year ended March 31, 2009.

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

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

PARTICULARS	Year Ended March 31, 2009 (Rs.)	Year Ended March 31, 2008 (Rs.)
Total Income	1616.10	1821.63
- Export Revenues	646.54	697.43
- Domestic Revenues	730.01	1064.24
Total Expenditure	1557.58	1398.19
Operating Profit (PBITDA)	58.51	423.44
Depreciation	216.14	214.45
Finance Cost	26.89	12.65
Prior period expenditure	-	2.83
Profit before tax	(184.52)	193.52
Provision for tax	(91.03)	19.81
Profit after tax	(93.48)	173.31
Dividend	-	51.85
Tax on dividend	-	8.81
Basic earnings per share	(0.90)	1.68
Paid up Equity share capital	1036.92	1036.92
Reserves	1901.94	2045.23

Company Business Overview

The economic slowdown has impacted your company negatively and the gains that the company had made in the first two quarters of the last Financial Year were negated by the losses in the last two quarters. The expenditure also includes on account of the write-off of debts in the second half an amount to the tune of Rs. 68.96 lacs.

Here is our approach to this situation in the context of our business.

Compulink and its business model

As you know, Compulink is in the business of developing and selling 'Enterprise Solutions' products that help our customers 'Orchestrate Performance'.

We would like you to closely look at our new positioning of helping our customers 'Orchestrate Performance'. To help achieve this we developed and introduced new products in the area of Human Capital Management and re-emphasized our existing products in the area of Execution Management, Initiative Management and Strategy Management. We built better integration amongst these so it provides a 'holistic' solution to the customers.

Directors' Report



Compulink's products are sticky and the customers make high investments when they deploy these in their organizations. A slowdown situation results in prospective customers postponing the decisions indefinitely or cancelling these, depending on their business situation. However, the costs that your company commits to are fixed in nature and need longer term to calibrate these without losing the effectiveness.

Your company has undertaken that effort to streamline the organization structure and realign the resources for maximum impact in these tough situations. We have identified avenues for cost optimization by appropriately aligning the Business Units to avoid duplication in these and bring efficiencies in the new situation we find ourselves in.

In a slowdown situation, we have focused our energies on the markets that are more aligned to our product strategy, while reducing investments in the high cost and riskier markets. We have also focused on our existing customers and resolved to provide best possible service to them so they can weather the storm better and also become a source of referrals.

Team Compulink

Our team members continue to be at the heart of our business. 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.

Subsidiary

- 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, 2009 with Net Loss of Rs 97.87 lacs (Net Loss of Rs 67.92 lacs in year 2008).
- b) Compulink Europe Limited, a Wholly Owned Subsidiary of Compulink India, incorporated under the Corporate Laws of England and Wales, UK, closed the year March 31, 2009 with Net Loss of Rs 17.33 lacs (Net Profit of Rs 10.32 lacs in year 2008).
- c) Compulink Software Pte. Limited, a Wholly Owned Subsidiary of Compulink India, incorporated under the Corporate Laws of Singapore, closed the year March 31, 2009 with Net Loss of Rs 140.05 lacs (Net Loss of Rs 120.12 lacs in year 2008).

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

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 loss 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 frauds and other irregularities.
4. That the Directors have prepared Annual accounts on going concern basis.



Directors' Report

Auditors

The Auditors of your Company, M/s. Sanjay Katkar & Associates, have been appointed as the Internal Auditors of the Company by the Board of Directors. In order to maintain the independence of the internal audit function, the Statutory Auditors have conveyed their unwillingness to continue as Statutory Auditors after the conclusion of the ensuing Annual General Meeting.

Consequently, the name of M/s. V. G. Dadhe & Company, Chartered Accountants, is proposed for being appointed as the Statutory Auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting to the conclusion of the next Annual General Meeting. Members are requested to consider the same.

Particulars of Employees

Information as required under Section 217(2A) of the Companies Act, read with the Companies (Particulars of Employees) Rules, 1975, as amended, are given in an Annexure forming part of this report

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

The particulars as prescribed under Sub-section (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 Practicing 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

July 31, 2009
Pune

Vishwas Mahajan
Managing Director & CEO

Uday Kothari
Chairman & CTO

Annexure to Directors' Report**PARTICULARS PURSUANT TO COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988****1. Conservation of energy**

The business operations of your Company are not energy intensive. However, the state of art infrastructure of your Company is designed in such a way that significant measures are taken to reduce energy consumption by using energy efficient computers and equipments. Your Company continuously evaluates new technologies and invests for making infrastructure more energy efficient. The air-conditioners, hydro-pneumatic pumps used are highly energy efficient. The Company is taking adequate steps to ensure that energy costs comprise a nominal part of Company's total expenses.

2. Research & Development and Technology Absorption

Since your company is predominantly a product company, most of the resources are used for R&D activities for emerging technology areas, product enhancement, meticulous methodologies to enhance the quality, productivity and customer satisfaction through continuous innovation. The Company has a robust R & D budget and a sound technical team, which keeps the Company abreast with latest technological developments.

3. Foreign exchange earnings and outgo

(Rs in Lacs)

PARTICULARS	2008-09	2007-08
Total Foreign Exchange Earned	646.54	697.43
Total Foreign Exchange Spent	51.88	112.46

Information as per Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the Year ended March 31, 2009

Name and Designation	Age (Yrs.)	Remuneration (Rs. in lacs)	Qualification	Experience (Yrs.)	Date of Joining	Previous Employment
Mr. Vishwas Mahajan MD and CEO	47	34.18	BSC, MBA	25	February 02, 1996	Key Information Technology (Dubai)
Mr. Uday Kothari Director & CTO	48	34.29	BSC, AE, MCM	25	February 02, 1996	Key Information Technology (Dubai)
Mr. Ranjit Thakur Director & CFO	40	25.59	B.Com, ACA	17	January 14, 1999	K & P Capital Services Ltd.

Information as required under Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

Sr. No.	Particulars	Details of ESOP Scheme 2004 during the Year 2008-09	Details of ESOP Scheme 2006 during the Year 2008-09
1	Options granted	NIL	58,500
2	Pricing formula	Rs.10 per share	Rs.22 per share and Rs.23.65 per share
3	Options vested	8,750	20,625
4	Options exercised	11,250	NIL
5	Total number of shares arising as a result of exercise of option	NIL	NIL
6	Options lapsed during the Year	NIL	30,750
7	Variation of terms of option	NA	NA
8	Money realized by exercise of options	1.13 Lacs	NIL
9	Total number of options in force	NIL	87,625
10	Employee wise details of options granted during the Year to		
A	Senior Managerial personnel	NA	58,500
B	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	NA	NA
C	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	NA	NA
11	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard 20 'Earnings Per Share'	NA as the Shares allotted to the ESOP Trust are already issued, allotted and listed	NA as the Shares allotted to the ESOP Trust are already issued, allotted and listed
12	Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company.	NA	NA