

CITE

NOTICE

Notice is hereby given that 9th Annual General Meeting of the members of Cambridge Technology Enterprises Ltd will be held on Thursday the 23rd day of October, 2008 at KLN Prasad Auditorium, Federation House, 11-6-841, Red Hills, Hyderabad - 500 004 at 11.30 a.m. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Balance Sheet of the Company as at 31st March, 2008 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditors' thereon.
2. To declare dividend for the financial year 2007-08.
3. To appoint a Director in place of Mr. Krishna P Nangegadda who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. H.K.Katti who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT M/s P.Murali & Co, Chartered Accountants, Hyderabad be and are hereby appointed as the Auditors of the Company in place of the Retiring Auditors M/s Walker, Chandiook & Co., Chartered Accountants, Hyderabad, to hold office until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Directors".

Special Business:

6. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. B. Muralidhar, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office up to the date of this Annual General Meeting in pursuance of Section 260 of the Companies Act, 1956 and in respect of whom the Company has, under Section 257 of the said Act, received notice in writing along with requisite deposit proposing his candidature for the office of Director, be and is hereby appointed as Director of the company liable to retire by rotation".
7. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:
"RESOLVED THAT pursuant to provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) and re-enactment thereof for the time being in force) and provisions of other statutes, as applicable and subject to such other approvals, consents, permissions, and sanctions as may be necessary from appropriate authorities, the Articles of Association of the Company be and is hereby altered and shall stand modified as under:
The following new Article - 182A be inserted after existing Article 182.
182A. The Company shall have the power to hold Board or Committee meetings through the means of video or tele-conferencing or any other electronic mode, and also allow Directors to participate in the Board or Committee meetings through the means of video or tele-conferencing, subject to the applicable provisions and in accordance with the provisions as may be notified by the concerned Government Authorities/ Ministry of Company Affairs, Government of India from time to time, if any, of the Act and other regulatory provisions, if any, and all relevant articles dealing with Board or Committee meetings shall be read *mutatis mutandis*.
RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as "the Board", which term shall be deemed to include any Committee constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution) of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary or expedient for giving effect to this Resolution".
8. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:
"RESOLVED THAT pursuant to the provisions of Section 81, 81(1A) and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to relevant provisions of the Securities and Exchange Board of India (Disclosure of Investor Protection) Guidelines, 2000 ("Guidelines") as in force and subject to all other applicable rules, regulations and guidelines of the Securities and Exchange Board of India ("SEBI"), the applicable provisions of Foreign Exchange Management Act, 1999 ("FEMA"), Foreign Exchange Management (Transfer or issue of Security by a Person Resident Outside India) Regulations, 2000, Issue of Foreign Currenc Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993 and enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to requisite approvals, consents, permissions and/or sanctions of SEBI, the Stock Exchanges, Reserve Bank of India ("RBI"), and all other authorities as may be required, whether in India or outside India, (hereinafter collectively referred to as "Appropriate Authorities"), and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, and/or sanction (hereinafter referred to as "Requisite Approvals"), 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 which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution), the consent of the Members of the Company be and is hereby accorded to the Board at their absolute discretion to create, offer, issue and allot in one or more tranches, in the course of domestic/international offerings to Domestic/Foreign Investors / Institutional Investors / Foreign Institutional Investors, Trusts, Mutual Funds, Banks, Financial Institutions, Insurance Companies, Pension Funds, retail public or otherwise, whether Members of the Company or not, such number of Global Depository Receipts (GDRs) or /American Depository Receipts (ADRs), Qualified Institutional Placements (QIPs) Foreign Currency Convertible Bonds (FCCBs), with or without green shoe option, Equity shares and / or Equity shares (through Depository Receipt Mechanism or directly to investors) and / or any other financial instruments convertible into Equity Shares or otherwise, in registered or bearer form and / or any security convertible into Equity Shares, securities, linked to Equity shares and / or securities with or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to Equity Shares (all of which are hereinafter collectively referred to as "Securities") or any combination of Securities secured or unsecured, whether listed on any stock exchange inside India or any international stock exchange outside India, through Public Issue(s) of prospectus, private placement(s), or such other combination thereof, as the Board in its sole discretion may at any time or times hereafter decide, for an amount not exceeding Rs.500 crores (Rupees Five Hundred Crores only) or equivalent in any other foreign currency , inclusive of such premium as may be decided from time to time".

"RESOLVED FURTHER THAT in case of any equity linked issue/offering, including, without limitation, any Equity shares, GDRs/ADRs/QIPs/FCCBs, and such other securities convertible into equity shares, consent of the Members of the Company be and is hereby accorded to the Board to issue and allot such equity shares for an amount not exceeding Rs. 500 Crores (Rupees Five Hundred crores only) or equivalent in any other foreign currency, as may be required to be issued and allotted upon conversion, redemption or cancellation of any such Securities referred to above or as may be in accordance with the terms of issue/offering in respect of such Securities and such equity shares which shall rank pari passu with the existing equity shares of the Company in all respects except provided otherwise under the terms of issue/offering and in the offer document and/or prospectus and / or offer letter and / or offering circular and / or listing particulars".

"RESOLVED FURTHER THAT the Company and / or any entity, agency or body authorized and / or appointed by the Board, may issue depository receipts representing the underlying Securities issued by the Company in negotiable, registered or bearer form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability and free transferability thereof as per international practices and regulations (including listing on one or more stock exchange(s) inside or outside India) and under the forms and practices prevalent in the international market".

"RESOLVED FURTHER THAT for the purpose of giving effect to the above, the consent of the Members of the Company be and is hereby accorded to the Board, in consultation with the Lead Managers, Underwriters, Advisors and / or other persons as appointed for the purpose, to determine the form, terms and timing of the issue(s)/ offering(s) including the investors to whom the Securities are to be allotted, issue price, face value, number of equity shares or other securities upon conversion or redemption or cancellation of the Securities, the price, premium or discount on issue/ conversion of securities, rate of interest, period of conversion, listing on one or more Stock Exchanges in India and / or abroad and fixing of record date or book closure and related or incidental matters, as the Board in its absolute discretion deem fit and accept any modifications in the proposal as may be required by the authorities in such issues in India and / or abroad".

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board is authorized on behalf of the Company to take all actions and to do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue or allotment of the aforesaid Securities and listing thereof with the stock exchange(s) where the Company's shares are listed or proposed to be listed and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of any of the aforesaid Securities, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution".

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred by this resolution on it, to any Committee of Directors or the Chairman or any other Director(s) or officer(s) of the Company to give effect to the aforesaid resolution".

9. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 372A and any other applicable provisions, if any, of the Companies Act, 1956 ("the Act") including any statutory modification or re-enactment thereof for the time being in force, the Board of Directors of the Company be and is hereby authorized to invest an amount aggregating up to US \$ 11 million approximately representing the total issued and outstanding stock in the capital of Protégé Software Services Inc., USA being purchase consideration for acquisition of Protégé Software Services Inc., as 100% wholly owned subsidiary of the company pursuant to the Share Purchase

Agreement dt. 5th September 2008 including any amendment thereto, notwithstanding the fact that such investment together with all other investments made by the company exceeds 60% of the paid-up share capital and Free Reserves of the investing company or 100% of the Free Reserves of the investing company whichever is higher, as prescribed under Section 372A of the Companies Act, 1956".

"RESOLVED FURTHER THAT the Board be and is hereby authorized from time to time to take all decisions and steps in respect of the above investment including the timing, amount and other terms and conditions of such investment as may deem appropriate, and to do and perform all such acts, deeds, matters and things, as may be necessary or expedient in this regard and to exercise all the rights and powers which would vest in the company in pursuance of such investment".

10. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification thereto or re-enactment thereof for the time being in force) and in accordance with the provisions of Memorandum and Articles of Association of the Company, the Listing Agreement entered into by the Company with Stock Exchanges where the Securities of the Company are listed, and subject to the approval, consent, permission and/or sanction, as may be required from the Reserve Bank of India (RBI), FIPB or SIA, Securities and Exchange Board of India ("SEBI"), Financial Institutions, and any other appropriate authority, Institution or Body and subject to such terms, conditions, alterations, corrections, changes, variations and/or modifications, if any, as may be prescribed by any one or more of them in granting such approval, consent, permission and/or sanction, the consent of the Company (hereinafter referred as "CTEL") be and is hereby accorded to the Board of Directors of the Company hereinafter referred to as the "Board" which term shall be deemed to include any Committee duly constituted by the Board of Directors or any Committee which the Board of Directors may hereafter constitute, to exercise one or more of its powers including the powers conferred by this resolution to create, offer, issue and allot up to 8,00,000 Equity Shares of Rs.10/- each on preferential basis being the consideration other than cash by way of swap of shares of the company at a price of Rs. 111/- per share (equivalent to \$ 2.50 per share as on the date of signing the Share Purchase Agreement i.e. 5th September, 2008 including any amendment thereto) as per terms and conditions as under:

- i) The purchase consideration shall be payable upfront as per Share Purchase Agreement dt. 5th September, 2008 i.e. a) US \$ 3,000,000 (Three Million only) by way of cash b) 800,000 equity shares by way of swap of shares of the company at price of Rs.111/- per share.

Sl.no.	Name(s) of the Allottee(s).	Category	No. of Equity shares of the company to be allotted
1.	Michael Ivers	Non-Promoter	3,29,219
2.	Edward Chiappini	Non-Promoter	3,29,219
3.	Mary L. Mandarino	Non-Promoter	38,133
4.	Peter Lang	Non-Promoter	22,224
5.	Jim Teal	Non-Promoter	14,266
6.	Dave Hebden	Non-Promoter	7,682
7.	Scott Fitzgerald	Non-Promoter	14,266
8.	Harry Gorman	Non-Promoter	7,682
9.	Mike Young	Non-Promoter	7,682
10.	Nancy Scott	Non-Promoter	7,682
11.	Brian Feugill	Non-Promoter	1,097
12.	Dave Scott	Non-Promoter	1,097
13.	Yvonne Gonsalo	Non-Promoter	1,097
14.	Kiriti Mukherjee	Non-Promoter	1,097
15.	Dennis Colameta	Non-Promoter	8,779
16.	Bob Winograd	Non-Promoter	1,097
17.	Ken Lewis	Non-Promoter	1,097
18.	Raman Singh	Non-Promoter	3,292
19.	Panchapageson Ravishankar	Non-Promoter	3,292
	Total		8,00,000

- ii) Apart from the above a Cash Earn Out US \$ 500,000 is payable on each of the first, second and third anniversary of the Closing date aggregating to US \$ 1,500,000 and;

- iii) A Stock Earn Out by way issue of CTEL's shares equivalent to US \$ 4,500,000 (Four million Five Hundred Thousand only) is payable in annual instalments of US \$ 1,500,000 (One Million Five Hundred Thousand only) on each of the first, second and third anniversary of the closing for both the said cash and stock earn outs subject to performance goals as per the Share Purchase Agreement dt.5th September, 2008 to the above stated persons.

"RESOLVED FURTHER THAT the equity shares issued shall rank pari-passu with the existing equity shares of the Company in all respects including payment of dividend".

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the above mentioned Equity Shares on the stock exchanges where the company's shares are listed, as per the terms and conditions of the listing and other applicable guidelines, rules and regulations.

"RESOLVED FURTHER THAT the 'Relevant Date' as per the SEBI (Disclosure and Investor Protection) Guidelines, 2000 as applicable from time to time for the determination of applicable price for issue of Equity Shares, is 23rd September, 2008.

"RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to issue and allot such number of equity shares as may be required to be issued in accordance with the terms of the offer".

"RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and resolve any doubts or questions that may arise in the issue and allotment of Equity Shares/Warrants, to effect any modification(s) to the foregoing (including any modification to the terms of the issue) in the best interest of the company and its shareholders and to execute all such writings and instrument(s) as the Board may in its absolute discretion deem necessary or desirable".

11. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification thereto or re-enactment thereof for the time being in force) and in accordance with the provisions of Memorandum and Articles of Association of the Company, the Listing Agreement entered into by the Company with Stock Exchanges where the Securities of the Company are listed, and subject to the approval, consent, permission and/or sanction, as may be required from the Reserve Bank of India (RBI), FIPB or SIA, Securities and Exchange Board of India ("SEBI"), Financial Institutions, and any other appropriate authority, Institution or Body and subject to such terms, conditions, alterations, corrections, changes, variations and/or modifications, if any, as may be prescribed by any one or more or all of them in granting such approval, consent, permission and/or sanction, the consent of the Company be and is hereby accorded to the Board of Directors of the Company hereinafter referred to as the "Board" which term shall be deemed to include any Committee duly constituted by the Board of Directors or any Committee which the Board of Directors may hereafter constitute, to exercise one or more of its powers (including the powers conferred by this resolution) to create, offer, issue and allot up to 30,00,000 Convertible Equity Warrants convertible into 30,00,000 equity shares of Rs.10/- each at price of Rs.100/- (inclusive of premium of Rs. 90/- per share) per share on preferential basis for cash consideration being the price which is in accordance with the SEBI Guidelines for preferential issues aggregating to Rs. 30,00,00,000/- (Rupees Thirty Crores) and which can be convertible into equity shares with in a period not exceeding eighteen months (18 months) from the date of allotment of Equity Warrants in accordance with SEBI (DIP) Guidelines to the following allottee(s) as detailed herein below:

Sl.no.	Name of the Allottee	Category	No. of warrants to be allotted
1.	Hansankit Trading Pvt Ltd	Non-promoter	12,00,000
2.	Transartica Company Ltd	Non-promoter	8,00,000
3.	Ibenstein Pte Ltd	Non-promoter	10,00,000
Total			30,00,000

"RESOLVED FURTHER THAT the equity shares issued on conversion of warrants shall rank pari-passu with the existing equity shares of the Company in all respects including payment of dividend".

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the above mentioned Equity Warrants upon conversion on the stock exchanges where the company's shares are listed, as per the terms and conditions of the listing and other applicable guidelines, rules and regulations.

"RESOLVED FURTHER THAT the 'Relevant Date' as per the SEBI (Disclosure and Investor Protection) Guidelines, 2000 as applicable from time to time for the determination of applicable price for issue of Equity Warrants, is 23rd September, 2008.

"RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, 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 upon conversion of Warrants in accordance with the terms of the offer".

"RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and resolve any doubts or questions that may arise in the issue and allotment of Convertible Equity Warrants, to effect any modification(s) to the foregoing (including any modification to the terms of the issue) in the best interest of the company and its shareholders and to execute all such writings and instrument(s) as the Board may in its absolute discretion deem necessary or desirable".

12. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in partial modification of the resolution passed by way of postal ballot dt.5th March, 2008 referred under item 4 of the notice dt.28.1.2008 and in accordance with Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999, as amended, and any other law for the time being in force, consent of the members of the company be and is hereby accorded for the approval of the Cambridge Technology Enterprises Limited ESOP Scheme 2 - 2008 (CTEL ESOP Scheme 2 - 2008) on such terms and conditions as contained in the relevant Explanatory Statement and to extend the benefits of the said CTEL ESOP Scheme 2 - 2008 to the employees/Directors of the company as may from time to time be allowed under prevailing laws, rules and regulations, and/or amendments thereto from time to time on such terms and conditions as may be decided by the Board including any Sub-Committee constituted by the Board for this purpose.

RESOLVED FURTHER THAT consent of the members be and is hereby accorded for issue/transfer of 15,00,000 Securities/Equity shares of the Company or such number of shares as may be issued by the company from time to time by way of grant of ESOPs by the Board or its sub-committee thereof to the employees/Directors of the company through any one or more schemes formulated by the company or through an existing ESOP Trust of the company or a Trust which may be setup in any permissible manner and may also envisage for providing any financial assistance to the Trust to enable the Trust to acquire, purchase or subscribe securities of the company.

RESOLVED FURTHER THAT consent of the members be and is hereby accorded for transfer or issue of shares by way of Grant of options by the Board/Committee of the Board through an existing ESOP Trust or ESOP Scheme(s) of the company in respect of the ESOP Scheme 2 - 2008 to any identified employee or employee(s) of the company exceeding 1% of the paid up capital of the company as the Board or Committee may deem fit in this regard at its sole discretion.

RESOLVED FURTHER THAT in case of any corporate action(s) such as right issue, bonus issue, merger, demerger, amalgamation, sale of division/undertaking and other forms of corporate restructuring, if any, additional equity shares are issued by the company to the option grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the above mentioned 15,00,000 equity shares proposed to be issued, subscribed and paid-up equity share capital of the company shall be deemed to be increased to the extent of such additional equity shares issued.

RESOLVED FURTHER THAT in case the equity shares of the company are either consolidated or subsequently sub-divided, then the number of equity shares to be allotted and the price of acquisition payable by the option grantees under the scheme shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs.10/- (Rupees ten only) per equity shares bears to the revised face value of the equity shares of the company after such consolidation or subsequent sub-division, without affecting any of the rights or obligations of the said option grantees.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board or its Committee be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary or expedient and to settle any questions, difficulties or doubts that may arise in this regard".

13. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the regulations/guidelines as prescribed by the Reserve Bank of India or any relevant authority, from time to time, to the extent applicable and subject to such conditions and modifications as may be prescribed by them while granting such permissions, authority and approval of the members of the Company be and is hereby accorded to grant such stock options convertible into such equity shares not exceeding the overall limit mentioned above of 15,00,000 equity shares, to any identified employee of the company's subsidiaries under Employee Stock Option Scheme 1-2006 or ESOP Scheme 2-2008.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the consent and authority be and is hereby given to the Board/Sub-Committee of the Board of Directors to do all acts, deeds, matters and things and execute all such deeds, documents and writings as it may in its discretion deem fit and proper".

14. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 ("the Act"), the provisions contained in the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the SEBI Guidelines") or any statutory modification(s) or re-enactment of the Act or the SEBI Guidelines, the Articles

of Association of the company and the Listing Agreements entered into by the Company with the Stock Exchanges where the securities of the Company are listed and subject to any applicable approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions, and sanctions, the approval and consent of the company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall include any Sub-committee of the Board) to offer, issue and allot in one or more tranches, not exceeding 15,00,000 (Fifteen lakhs only) Equity Shares of Rs.10/- each at a price of Rs.58.46/- (including share premium of Rs.48.46/- per share) or at such discounted price as the Board or its Committee recommends to the Company's ESOP Trust or in the name of Trustee(s) representing the Cambridge Technology Enterprises Trust ("CTE Trust") for the purpose of Grant of ESOPs through trust mode under one or more existing Stock Option Schemes of the company or under any other New Schemes as may be formulated by the Company from time to time and on such terms and conditions as the Board may in its absolute discretion consider fit".

"RESOLVED FURTHER THAT the equity shares to be issued as stated aforesaid shall rank pari-passu in all respects with all the existing equity shares of the company".

RESOLVED FURTHER THAT the Board be and is hereby authorized to take requisite steps for listing of securities allotted in the name of the Company's ESOP Trust or in the name of Trustee(s) representing the Cambridge Technology Enterprises Trust ("CTE Trust") on the Stock Exchanges where the securities of the Company are listed.

RESOLVED FURTHER THAT for the purpose of giving effect to any issue and allotment of shares, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable and to settle any questions, difficulties or doubts that may arise in regard to the offering, issue and allotment and utilization of the issue proceeds, as it may in its absolute discretion, deem fit and proper.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Senior Executives / Officers of the Company to give effect to the aforesaid resolutions".

Place: Hyderabad
Date:25th September, 2008

for and on behalf of the Board
Sd/-
T.N.Kannan
Company Secretary

Notes:

1. A member of the company entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company.
2. The Proxy form, in order to be effective, must be deposited at the Registered office of the Company not less than 48 hours before commencement of the meeting.
3. An Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of Special business is annexed hereto.
4. The Register of Members and Share Transfer books shall remain closed from, **Monday, the 20th day of October, 2008 to Thursday, the 23rd day of October, 2008** (both days inclusive).
5. The dividend for the year ended 31st March, 2008 as recommended by the Board, if approved at the meeting, will be paid on or before **6th November, 2008**.
6. All documents referred to in the notice are open for inspection at the registered office of the company between 11.00 a.m. to 1.00 p.m. on any working day prior to the date of the meeting and also at the meeting venue.
7. The members holding shares in the dematerialized mode are requested to intimate all changes with respect to their bank details, mandate, nomination, power of attorney, change of address, change in name etc., to their Depository Participant (DP). These changes will be automatically reflected in the Company's records which will help the Company to provide efficient and better service to the members.
8. Members desiring to seek any information/clarifications on the Annual accounts are requested to write to the company at least 7 (Seven) days before the date of AGM to enable the management to compile and keep the information ready.
9. Corporate members intending to send their Authorized Representatives to attend the meeting are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the meeting.
10. Members/proxies are requested to bring their copies of Annual Reports to the meeting. Copies of Annual Reports will not be provided at the meeting.
11. Postal Ballot resolutions towards ratification of the Pre-IPO ESOP Scheme, Amendment to the existing ESOP Scheme, issue of further ESOPs under Section 81(1A) and approval of new ESOP Scheme 2 - 2008 have been approved with requisite majority by the shareholders through postal ballot, the results of which were declared on 5th March, 2008.

EXPLANATORY STATEMENT
(PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956).
(Forming part of the AGM Notice dated 25th September, 2008)

Item no.5

Presently, the company's accounts are being audited by M/s Walker, Chandiook & Co, Chartered Accountants Hyderabad who hold office until the conclusion of the ensuing Annual General Meeting.

M/s Walker, Chandiook & Co vide their dt. 11th September, 2008 have expressed their inability to continue as the Statutory Auditors of the Company and did not seek re-appointment as auditors of the company.

In accordance with the provisions of Sections 190 and 225 of the Companies Act, 1956 a Special Notice from a Member of the company signifying his intention to propose the name of M/s P.Murali & Co as Statutory Auditors of the company has been received as required under the provisions of above referred Sections.

Accordingly, the Board of Directors of the Company, on the recommendations of the Audit Committee, proposes the appointment of M/s P.Murali & Co, Chartered Accountants as Statutory Auditors of the company, who will hold office as such from the conclusion of this Meeting until the conclusion of the next Annual General Meeting.

M/s P. Murali & Co have expressed their willingness to act as the Statutory auditors of the Company and have further confirmed that their appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

Approval of the Members is being sought by means of an Ordinary Resolution for the appointment of M/s P.Murail & Co as the statutory auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and their remuneration would be decided by the Board of Directors.

None of the directors is deemed to be interested or concerned in the said resolution.

Your Directors commend the resolution for approval.

Item no. 6

Mr. B. Muralidhar was appointed as an additional director by the Board in its meeting held on 4.4.2008 in terms of Section 260 of the Companies Act,1956. Mr. B.Muralidhar holds office up to the date of this Annual General Meeting of the company. Notice under section 257 of the Companies Act, 1956 has been received from a member of the Company along with the requisite deposit proposing the candidature of Mr. B. Muralidhar, for the office of Director whose term of office is liable to retire by rotation.

None of the directors except Mr. B. Muralidhar is deemed to be interested or concerned in the said resolution.

Your Directors commend the resolution for approval.

Item no.7

Keeping in view the provisions pertaining to recognition of communication in digital or electronic form and holding of Board or Committee meetings through electronic means under Information Technology Act, 2000 (IT Act) and further it is contemplated that necessary amendments to this extent would be introduced soon in the Companies Act, 1956 allowing companies to conduct the Board or Committee meetings through electronic means i.e. Video or tele-conferencing.

Your Directors felt that necessary provision in the Articles for conducting of meetings through video or tele-conferencing or any other electronic means will facilitate participation by majority of directors any where in the world. This amendment to Articles of Association shall come into force upon notification of necessary amendments to the Companies Act, 1956 and/or necessary clarification from the Government of India.

None of the directors is deemed to be interested or concerned in the said resolution.

Your Directors commend the resolution for approval.

Item No.8

Your company had obtained shareholders approval at the AGM held on 29th September, 2007 for raising funds through ADRs/GDRs, FCCBs etc. The company could not go ahead in raising the funds as planned in view of the unfavorable market conditions. The earlier resolution passed by the members would lapse at this AGM, hence consent of members is being sought once again for the said resolution in order to raise necessary funds for meeting the company's expansion activities and other growth plans.

None of the directors is deemed to be interested or concerned in the said resolution.

Your Directors commend the resolution for approval.

Item No. 9

Your company proposes to make further investments in order to grow substantially and also to focus on the strategic growth path envisaged by the company. In this regard the company signed Share Purchase Agreement on 5th September, 2008 towards acquisition of M/s Protégé Software Services Inc., USA as 100% wholly owned subsidiary subject to approval of the shareholders/FIPB and other legal formalities for closing the acquisition.

The brief profile of the said company is furnished hereunder:

A brief profile of Protégé Software Services Inc.,:

M/s Protégé Software Service Inc., USA was established in the year 1994, and the company is a leading provider of professional services and solutions for enterprises utilizing Oracle's Suite of Products and Technologies. As an Oracle Certified Advantage Partner, Protégé's specialized services are focused on Oracle E-Business Suite, Oracle Fusion Middleware, Oracle Database technologies, Oracle CRM On-Demand and support to Small and Medium Businesses. Through a combination of business knowledge and technical expertise, Protégé is uniquely qualified to assist its clients in the evaluation, implementation, integration, extension, and upgrade of Oracle Applications and Oracle Technologies. Protégé has successfully addressed the business needs of a wide variety of industries including process and discrete manufacturers with over 50 implementations. They are also the authorized Reseller of Oracle Applications.

This acquisition will strengthen CTE's Oracle ERP and Oracle Fusion Middleware capabilities. This will enhance our presence in the New England region in US and provide cross selling opportunities with more than 50 customers of Protégé. This will also enable us to exploit the market opportunity existing for the Oracle Fusion Middleware in a big way. Finally, this will take us closer to our vision 'to be the Single-Stop-shop' for all IT services needs of Global mid-market enterprises. On the other hand, Protégé customers will be benefited from our global delivery, innovation and competency centers.

The proposed investments in shares and securities of the said Body Corporate would exceed 60% of the paid-up Share Capital and Free Reserves of the Company or 100% of Free Reserves of the company whichever is higher pursuant to the provisions of Section 372A of the Companies Act, 1956. Hence, approval of the Members is being sought by passing the proposed resolution as a Special Resolution at this meeting.

None of the directors is deemed to be interested or concerned in the said resolution.

Your Directors commend the resolution for approval.

Item No.10

The Company had signed Share Purchase Agreement on 5th September, 2008 towards acquisition of M/s Protégé Software Services Inc, USA as 100% wholly owned subsidiary. In this connection the company proposes pay the consideration partly by way of cash and party by issuing 8,00,000 equity shares of the company being consideration other than cash subject to approval of Shareholders/FIPB/Reserve Bank of India and other Statutory Regulatory Authorities.

As per regulation 13.1A of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 as applicable from time to time, the required details are furnished as under:

1. Objects of the issue:

- i) The acquisition will strengthen Company's Technical capabilities and augmenting the company's position as "one-stop-shop" for all IT services needs in mid-market segment.
- ii) The acquisition provides wider market opportunities in US and also provides cross-selling opportunities with larger client/customer base of Protégé.
- iii) The acquisition will synergize the Technical expertise and skills in the field of SOA Transformation, Oracle ERP and Fusion Middleware Technologies.

2. Pricing:

The pricing for equity shares is done in accordance with the guidelines stipulated under SEBI (Disclosure and Investor Protection) Guidelines, 2000 as applicable from time to time in respect of the pricing of the issues.

3. Intention of Promoters / Directors / Key Management Persons to subscribe to the offer:

None of the Promoter / Director / Key Management Person is interested in the said transaction and they do not intend to subscribe the offer.

4. Relevant Date:

"Relevant Date" for this purpose is 23rd September, 2008 which is 30 days prior to the date of this meeting of the Members of the Company.

5. Shareholding Pattern of the Company before and after the issue:

Category Code	Category of shareholder	Pre-Issue		Post-Issue after considering allotment of shares	
		No. of shares	% of Holding	No. of Equity Shares	% of Holding
(A)	Shareholding of Promoter Group:				
(2)	Foreign				
a.	Individuals (Non-Resident Individuals/ Foreign Individuals)	2619677	16.55	2619677	15.76
b.	Bodies Corporate	7154074	45.21	7154074	43.03
	Total Shareholding of Promoter Group	9773751	61.76	9773751	58.79
(B)	Public Shareholding				
(I)	Institutions:				
f.	Foreign Institutional Investors	663736	4.19	663736	4.00
	Sub-Total (B) (1)	663736	4.19	663736	4.00
B(2)	Non-Institutions:				
a.	Bodies Corporate	1209591	7.64	1209591	7.28
b.	Individuals				
l.	Individuals - i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	1795723	11.35	1795723	10.80
ll.	ii. Individual shareholders holding nominal share capital in excess of Rs.1 lakh	539545	3.41	539545	3.25
c-i	Clearing Member/House	4941	0.03	4941	0.02
c-ii	NRI	48019	0.31	48019	0.29
c-iii	Trust	1490742	9.42	1490742	8.97
c-iv	Foreign National	221895	1.41	1021895	6.14
c-v	Foreign Company	76472	0.48	76472	0.46
	Sub-Total B(2)	5386928	34.05	5386928	37.21
	Total (A + B)	15824415	100.00	16624415	100.00

6. Proposed time within which the allotment shall be complete:

As per SEBI Guidelines, the allotment of equity shares shall be completed within 15 days from the date of passing of the above Resolutions. Provided that where the allotment is pending on account of any regulatory authority or from the Central Government, the allotment will be completed within 15 days on receipt of such approval.

7. The identity of the proposed allottees and the percentage of the preferential issue that may be held by the allottees:

Sl. no.	Name of the allottee	Category	Pre-Issue	% to Total	Post Issue	% to Total Equity
1.	Michael Ivers	Non-Promoter	Nil	0.00	3,29,219	1.98
2.	Edward Chiappini	Non-Promoter	Nil	0.00	3,29,219	1.98
3.	Mary L. Mandarino	Non-Promoter	Nil	0.00	38,133	0.23
4.	Peter Lang	Non-Promoter	Nil	0.00	22,224	0.13
5.	Jim Teal	Non-Promoter	Nil	0.00	14,266	0.08
6.	Dave Hebden	Non-Promoter	Nil	0.00	7,682	0.04
7.	Scott Fitzgerald	Non-Promoter	Nil	0.00	14,266	0.08
8.	Harry Gorman	Non-Promoter	Nil	0.00	7,682	0.04
9.	Mike Young	Non-Promoter	Nil	0.00	7,682	0.04
10.	Nancy Scott	Non-Promoter	Nil	0.00	7,682	0.04
11.	Brian Feugill	Non-Promoter	Nil	0.00	1,097	0.006
12.	Dave Scott	Non-Promoter	Nil	0.00	1,097	0.006
13.	Yvonne Gonsalo	Non-Promoter	Nil	0.00	1,097	0.006
14.	Kiriti Mukherjee	Non-Promoter	Nil	0.00	1,097	0.006
15.	Dennis Colameta	Non-Promoter	Nil	0.00	8,779	0.05
16.	Bob Winograd	Non-Promoter	Nil	0.00	1,097	0.006
17.	Ken Lewis	Non-Promoter	Nil	0.00	1,097	0.006
18.	Raman Singh	Non-Promoter	Nil	0.00	3,292	0.01
19.	Panchapageson Ravishankar	Non-Promoter	Nil	0.00	3,292	0.01

8. Auditor's Certificate:

A certificate as required under SEBI Guidelines certifying that the proposed issue is being made in accordance with the requirements contained in SEBI Guidelines has been obtained from the Auditors of the Company.

9. Lock-In:

The equity shares to be allotted on preferential basis shall be subject to lock-in as per applicable SEBI Guidelines in this behalf.

10. None of the proposed allottees hold any shares in the company and hence the disclosure as to the status on sale of shares by them does not arise.

11. The Parties in the proposed allotment are not connected to each other in any way and are acting independently.

12. Change in Management:

The issue of Equity shares on preferential basis will not result in any change in the management or control of the Company. However there will be corresponding changes in the shareholding pattern as well as voting rights consequent to preferential allotment.

The consent of the members is being sought under Section 81(1A) of the Companies Act, 1956, and other applicable provisions of the Listing Agreements executed by the company with the Stock Exchanges where the company's share are listed.

None of the directors is deemed to be interested or concerned in the said resolution.

Your Directors commend the resolution for approval.

Item No. 11

As per Section 81, 81(1A) of the Companies Act, 1956 approval of the members is being sought as the allotment or issue of further Shares/Securities will be offered to persons/entities who are other than the existing shareholders. Further Listing Agreement executed by the Company with the Stock Exchanges viz., BSE and NSE also provide that the company shall issue or offer in the first instance all Securities to the existing Equity shareholders of the company unless the shareholders decide otherwise.

The Company proposes to allot and issue 30,00,000 Convertible Equity Warrants of Rs.10/- each at a price of Rs.100/- per share (including a premium of Rs.90/- per share) to M/s Hansankit Trading Pvt Ltd Mumbai, M/s Transartica Company Ltd, Mauritius and Ibenstein Pte Ltd, Singapore who belong to Non-Promoter category on preferential basis subject to necessary approval of RBI/FIPB etc., and other Government/statutory approvals, if any.

The average price as per SEBI pricing formula is 58.46 as on the relevant date i.e. 23rd September, 2008 in accordance with SEBI pricing Guidelines on preferential issues. However, the shares are being issued at a price Rs.100/- per share to the above corporate entities which is higher than the SEBI's average price of Rs.58.46 as on the date of relevant date.

As per regulation 13.1A of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 as applicable from time to time, the required details are furnished as under:

1. Objects of the issue:

The Company intends to raise the funds partly to meet the following requirements:

- a. Expansion of IT infrastructure facilities.
- b. Expansion of Global operations of the company.
- c. IP Creation, Re-usable components library.
- d. Mergers and Acquisitions (M&A) integration and growth activities.

2. Pricing:

The pricing for equity shares is done in accordance with the guidelines stipulated under SEBI (Disclosure and Investor Protection) Guidelines, 2000 as applicable from time to time in respect of the pricing of the issues.

3. Payment & Conversion Terms:

10% of the value of the warrants is to be paid together with application. The balance is payable at the time of conversion. In case the option is not exercised within a period of 18 months from the date of allotment, the application money will be forfeited by the company. The warrants are converted at the option of the allottee on payment of the balance amount of the issue price at any time during the period of 18 months. The amount received from the allottees can be adjusted towards outstanding dues if any, payable by the company on such terms and conditions and in such manner as the Board may think fit.

4. Intention of Promoters / Directors / Key Management Persons to subscribe to the offer:

None of the Promoter / Director / Key Management Person is interested in the said transaction and they do not intend to subscribe the offer.

5. Relevant Date:

"Relevant Date" for this purpose is 23rd September, 2008 which is 30 days prior to the date of this meeting of the Members of the Company.

6. Shareholding Pattern of the Company before and after the issue:

Category Code	Category of shareholder	Pre-Issue		Post-Issue after considering conversion of warrants into shares	
		No. of shares	% of Holding	No. of Equity shares	% of Holding
(A)	Shareholding of Promoter Group:				
(2)	Foreign				
a.	Individuals (Non-Resident Individuals/Foreign Individuals)	2619677	16.55	2619677	13.92
b.	Bodies Corporate	7154074	45.21	7154074	38.00
	Total Shareholding of Promoter Group	9773751	61.76	9773751	51.92
(B)	Public Shareholding				
(I)	Institutions:				
f.	Foreign Institutional Investors	663736	4.19	663736	3.53
	Sub-Total (B) (1)	663736	4.19	663736	3.53
B(2)	Non-Institutions:				
a.	Bodies Corporate	1209591	7.64	2409591	12.80
b.	Individuals				
l.	Individuals - i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	1795723	11.35	1795723	9.54
ll.	ii. Individual shareholders holding nominal share capital in excess of Rs.1 lakh	539545	3.41	539545	2.87
c-i	Clearing Member/House	4941	0.03	4941	0.02
c-ii	NRI	48019	0.31	48019	0.26
c-iii	Trust	1490742	9.42	1490742	7.91
c-iv	Foreign National	221895	1.41	221895	1.18
c-v	Foreign Company	76472	0.48	1876472	9.97
	Sub-Total B(2)	5386928	34.05	8386928	44.55
	Total (A + B)	*15824415	100.00	*18824415	100.00

The holdings above are exclusive of the shares arising out of preferential allotment(s) as in point no 10 of AGM notice.

7. Proposed time within which the allotment shall be complete:

As per SEBI Guidelines, the allotment of equity shares shall be completed within 15 days from the date of passing of the above Resolutions. Provided that where the allotment is pending on account of any regulatory authority or from the Central Government, the allotment will be completed within 15 days on receipt of such approval.

8. The identity of the proposed allottees and the percentage of the preferential issue that may be held by the allottees:

Sl.no.	Name of the allottees	Category	Pre-Issue	% to Total	Post Issue after conversion of warrants	% to Total Equity
1.	Hansankit Trading Pvt. Ltd	Non-Promoter	Nil	Nil	1200000	6.37
2.	Transartica Company Ltd	Non-Promoter	Nil	Nil	800000	4.25
3.	Ibenstein Pte Ltd	Non-Promoter	Nil	Nil	1000000	5.31
	Total				3000000	15.93

9. Auditor's Certificate:

A certificate as required under SEBI Guidelines certifying that the proposed issue is being made in accordance with the requirements contained in SEBI Guidelines has been obtained from the Auditors of the Company.

10. Lock-In:

The equity shares to be allotted on preferential basis shall be subject to lock-in as per applicable SEBI Guidelines in this behalf.

11. None of the proposed allottees hold any shares in the company and hence the disclosure as to the status on sale of shares by them does not arise.

12. The Parties in the proposed allotment are not connected to each other in any way and are acting independently

13. Change in Management:

The issue of Equity Warrants on preferential basis will not result in any change in the management or control of the Company.

The consent of the members is being sought under Section 81(1A) of the Companies Act, 1956, and other applicable provisions of the Listing Agreements executed by the company with the Stock Exchanges where the company's share are listed.

None of the directors is deemed to be interested or concerned in the said resolution.

Your Directors commend the resolution for approval.

Item No.12

In view of the acquisitions made by the company, the employee strength had grown considerably during this fiscal. In view of this, your company plans to consider and reward the employees suitably by granting ESOPs to the existing employees, new entrants as well as keeping in view the prospective employees who would join the company from time to time. Further this will also enable the company to retain their potential talents & efforts contributing to the growth of the company.

The Board therefore proposed to evolve an Employee Stock Option Scheme (hereinafter referred to as "the CTEL ESOP Scheme 2 - 2008" for the benefit of employees/directors of the company as may be prescribed by SEBI from time to time, and in accordance with the provisions of prevailing regulations.

The following is the explanatory statement, which sets out the various disclosures as required by Clause 6 of the Securities & Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereinafter referred to as "the Guidelines").

Brief details of the Scheme or Schemes are as follows:

- a) Under the Scheme the employees will be given an option to acquire a certain number of shares of the face value of Rs.10/- each.
- b) The Board/ or its Sub-Committee shall formulate detailed terms and conditions of the Scheme, administer and supervise the same. Subject to the provisions of the Scheme, and subject to the approval of relevant authorities, the Board/or its Sub-Committee shall:
 1. Determine the quantum of option to be granted under the Scheme per employee and in aggregate.
 2. Determine the conditions under which the employees should exercise the option.
 3. Provide the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee.
 4. Determine the right of an employee to exercise all options vested in him at one time or at various points of time within the exercise period;
 5. Determine the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions;
 6. Grant, vest and exercise of option in case of employees who are on long leave;
 7. Determine the procedure for cashless exercise of options.
- c) As per clause 6.2 of the ESOS Guidelines, the Salient Features of the Scheme are as follows:
 - A) **Total number of Options to be granted:**
 - a. The total number of options to be granted under this scheme shall initially not to exceed 15,00,000 equity shares.
 - b. The Board may with the approval of the shareholders increase the Maximum number of options under the CTEL ESOP Scheme 2 - 2008 at any time.
 - B) **Identification of classes of employees entitled to participate in the ESOP**
 - a. The permanent employees of the company.
 - b. Employees
 - i) who are either promoter or belong to promoter group as defined in the Guidelines; or
 - ii) holding 10% of the outstanding share capital of the company's equity share capital at any time after the commencement of this Scheme will not be eligible for grant of options under this Scheme.
 - C) **Requirements of vesting, period of vesting and maximum period of vesting.**
 - a. There shall be a minimum period of one year between the grant of options and vesting of options.
 - b. The Maximum vesting period for stock options granted under the scheme would be 3 years.
 - c. In addition, the Board may also specify certain performance parameters subject to which the options would vest. The specific vesting schedule and conditions subject to which vesting would take place would be outlined in the document given to the option grantee at the time of grant of options.

D) Exercise Price or Pricing Formula

Options would be granted at an exercise price as decided by the Board/Sub-Committee which is equal to either

i. The latest available closing market price (at a stock exchange as determined by the Board/Sub-Committee) on the date prior to the date on which the Board/Sub-Committee finalizes the specific number of options to be granted to the employees,

or

ii. At an exercise price equal to 25 % discount to the latest available closing market price (at a stock exchange as determined by the Board/Sub-Committee) on the date prior to the date on which the Board/Sub-committee finalizes the specific number of options to be granted to the employees.

E) Exercise Period and the Process of Exercise

a. The options can be exercised at any time after the vesting period but before expiry of 3 years from the date of commencement of vesting period.

b. The Options will be exercisable by employees by a written application to the designated officer of the company to exercise the options, in such manner, and on execution of such documents, as may be prescribed by the Board of Directors/ Committee of the Board under the scheme.

c. In the event of resignation/superannuation/termination of employment, the employee should exercise the options granted and vested to him/her within 90 days by paying the strike price. If the options are not exercised within the stipulated period on the occurrence of the aforesaid events, then the options would lapse. However, in the event of termination of employment on grounds of misconduct, the options shall lapse, whether or not they are vested.

F) Eligibility of employees to the ESOP Scheme.

The Board/Committee of the Board may at its discretion extend the benefits of the ESOP Scheme 2 - 2008 to a new entrant or any existing employee on such other basis as it may deem fit.

G) Maximum number of options to be issued per employee and in aggregate.

a. The Maximum number of options to be granted to each employee will depend upon the rank/designation of the employee as on the date of grant of options.

b. The aggregate number of options to be granted under this scheme shall not exceed initially 15,00,000 equity shares.

c. The Board of Directors/ Committee of the Board shall decide on the number of options to be granted to each employee within this limit.

H) Accounting Methods

The Company shall conform to the accounting policies specified in Clause 13.1 of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and/or such other guidelines as may be applicable, from time to time.

I) Method of valuation of these options

The Company shall use the fair value method for valuation of the Stock options.

In case the Company calculates the employee compensation cost using the Intrinsic Value of the stock options, the difference between the employee compensation cost so computed and the cost that shall have been recognized if it had used the Fair Value of the options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors' Report.

The Board shall have the power to make fair and reasonable variations to the terms and conditions in respect of the number of options and the exercise price, in case of rights issues, bonus issues and other corporate actions.

Your Directors recommend the resolution for approval.

None of the Directors of the company is, in any way concerned or interested in the resolution except to the extent of their respective shareholding.

Item No.13

As per SEBI guidelines a separate resolution is required to be passed if the benefits of the ESOS are to be extended to the employees of the company's subsidiaries.

Your Directors recommend the resolution for approval.

None of the Directors of the company is, in any way concerned or interested in the resolution.

Item No.14

The Company proposes to issue and allocate further equity shares to the Company's ESOP Trust in order to accommodate future grants to its employees as well as employees of the subsidiary companies through trust mode in accordance with the existing ESOP Scheme 1 and 2 of the company which was approved by the shareholders through postal ballot on 5th March, 2008.

As per regulation 13.1A of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 as applicable from time to time, the required details are furnished as under:

1. Objects of the issue:

The Company intends to issue and allocate the equity shares to meet the following requirements:

1. To Grant ESOPs through trust mode for the permanent employees of company and its subsidiaries.
2. To retain employees talent and create long term wealth in the hands of the employees.

2. Pricing:

The pricing for equity shares is done in accordance with the guidelines stipulated under SEBI (Disclosure and Investor Protection) Guidelines, 2000 as applicable from time to time in respect of the pricing of the issues.

3. Intention of Promoters / Directors / Key Management Persons to subscribe to the offer:

None of the Promoter / Director / Key Management Person is interested in the said transaction and they do not intend to subscribe the offer.

4. Relevant Date:

"Relevant Date" for this purpose is 23rd September, 2008 which is 30 days prior to the date of this meeting of the Members of the Company.

5. Shareholding Pattern of the Company before and after the issue:

Category Code	Category of shareholder	Pre-Issue		Post-Issue after considering grant of ESOPs	
		No. of shares	% of Holding	No. of Equity Shares	% of Holding
(A)	Shareholding of Promoter Group:				
(2)	Foreign				
a.	Individuals (Non-Resident Individuals/Foreign Individuals)	2619677	16.55	2619677	15.12
b.	Bodies Corporate	7154074	45.21	7154074	41.29
	Total Shareholding of Promoter Group	9773751	61.76	9773751	56.41
(B)	Public Shareholding				
(I)	Institutions:				
f.	Foreign Institutional Investors	663736	4.19	663736	3.83
	Sub-Total (B) (1)	663736	4.19	663736	3.83
B(2)	Non-Institutions:				
a.	Bodies Corporate	1209591	7.64	1209591	6.98
b.	Individuals				
I.	Individuals - i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	1795723	11.35	1795723	10.37
II.	ii. Individual shareholders holding nominal share capital in excess of Rs.1 lakh	539545	3.41	539545	3.11
c-i	Clearing Member/House	4941	0.03	4941	0.03
c-ii	NRI	48019	0.31	48019	0.28
c-iii	Trust	1490742	9.42	2990742	17.26
c-iv	Foreign National	221895	1.41	221895	1.28
c-v	Foreign Company	76472	0.48	76472	0.45
	Sub-Total B(2)	5386928	34.05	6886928	39.76
	Total (A + B)	*15824415	100.00	*17324415	100.00

The holdings above are exclusive of the shares arising out of preferential allotment(s) as in point no 11 & 12 of AGM notice.

6. Proposed time within which the allotment shall be complete:

As per SEBI Guidelines, the allotment of equity shares shall be completed within 15 days from the date of passing of the above Resolutions. Provided that where the allotment is pending on account of any regulatory authority or from the Central Government, the allotment will be completed within 15 days on receipt of such approval.

7. The identity of the proposed allottees and the percentage of the preferential issue that may be held by the allottees:

Sl. no.	Name of the allottees	Category	Pre-Issue	% to Total	Post Issue after allotment of shares	% to Total Equity
1.	Cambridge Technology Enterprises Trust	Trust	1490742	9.42	15,00,000	17.26
	Total		1490742	9.42	15,00,000	17.26

8. Auditor's Certificate:

A certificate as required under SEBI Guidelines certifying that the proposed issue is being made in accordance with the requirements contained in SEBI Guidelines has been obtained from the Auditors of the Company.

9. Lock-In:

The equity shares to be allotted on preferential basis shall be subject to lock-in as per applicable SEBI Guidelines in this behalf.

10. None of the proposed allottees hold any shares in the company and hence the disclosure as to the status on sale of shares by them does not arise.

11. The Parties in the proposed allotment are not connected to each other in any way and are acting independently

12. Change in Management:

The issue of Equity Warrants on preferential basis will not result in any change in the management or control of the Company.

The consent of the members is being sought under Section 81(1A) of the Companies Act, 1956, and other applicable provisions of the Listing Agreements executed by the company with the Stock Exchanges where the company's share are listed, since the allotment of shares is being made on preferential basis to persons other than the existing shareholders .

None of the directors is deemed to be interested or concerned in the said resolution.

Your Directors commend the resolution for approval.

For and on behalf of the Board

Place: Hyderabad

Date: 25th September, 2008

Sd/-

T.N.Kannan

Company Secretary



CAMBRIDGE TECHNOLOGY ENTERPRISES LIMITED

Regd. Office: Plot No.1244, Road No.36, Jubilee Hills, Hyderabad - 500 033.

ATTENDANCE SLIP

Please complete this attendance slip and hand over at the entrance of the meeting hall, joint shareholders desiring to attend the meeting may obtain additional attendance slips on request, provided such request is received by the company before 15th October, 2008.

I hereby record my presence at 9th Annual General Meeting of the Company held at KLN Prasad Auditorium, Federation House, 11-6-841, Red Hills, Hyderabad - 500 004 at 11.30 a.m. on Thursday, the 23rd October, 2008.

Name(s) of the Shareholders (In Block Capitals) _____

Name of the Proxy (In Block Capitals) _____

Folio No./Client ID No. _____ *DP ID No. _____

Signature(s) if Shareholder: _____ / if Proxy: _____

Note: No duplicate attendance slip will be issued at the Meeting Hall. You are requested to bring your copy of the Annual Report to the Meeting.

*Applicable to only shareholders holding shares in demat form.



CAMBRIDGE TECHNOLOGY ENTERPRISES LIMITED

Regd. Office: Plot No.1244, Road No.36, Jubilee Hills, Hyderabad - 500 033.

PROXY FORM

I/We _____ of (Place) _____

_____ being a member/members of Cambridge Technology Enterprises Ltd under Folio No./

Client ID No. _____ hereby appoint Mr./Ms. _____ of (Place) _____

or failing him/her Mr./Ms _____ of (Place) _____ as my/our proxy to vote for

me/us and on my / our behalf at the 9th Annual General Meeting of the Company to be held on Thursday, the 23rd day of October, 2008 and at any adjournment(s) thereof.

Signed this _____ day of _____ 2008.

Affix Re.1/-
Revenue
Stamp & sign
across.

Note: The proxy form must be returned so as to reach the Registered Office of the company not less than 48 hours before the time for holding the aforesaid meeting.