



CAMBRIDGE TECHNOLOGY ENTERPRISES LIMITED

CIN: L72200AP1999PLC030997

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Hyderabad – 500081

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POSTAL BALLOT NOTICE

(Notice pursuant to Section 110 of Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014

Dear Member(s),

Notice is hereby given that pursuant to the provisions of Section 110 of the Companies Act, 2013 (the Act) read with the Companies (Management and Administration) Rules, 2014 and other applicable rules of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and pursuant to other applicable laws and regulations, that the Resolutions appended below (1) To approve the Employee Stock Option Scheme – 2015 (ESOS-2015) for employees of the Company (2) To approve the Employee Stock Option Scheme – 2015 (ESOS-2015) for employees of the subsidiary company/ies, holding company and associate company/ies of the Company (3) To approve the Secondary Acquisition of equity shares for implementing Employee Stock Option Scheme – 2015 (ESOS-2015) through Trust (4) To approve the additional acquisition of equity shares through Trust (5) To approve the provision of money by company for purchase of its own shares by trustees for the benefit of employees pursuant ESOS-2015 are proposed to be passed by the Members through Postal Ballot/remote Electronic voting (remote e-voting).

The Board of Directors of the Company has appointed Ms. B. Krishnaveni, Company Secretary in Practise as the Scrutinizer for conducting the Postal Ballot process and counting of e – votes in a fair and transparent manner. Members desiring to exercise their vote by Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Notice and return Postal Ballot Form duly completed in the enclosed self-addressed Business Reply Envelope. Postage will be borne and paid by the Company. Postal Ballot Form(s), if sent by courier or by registered post/speed post at the expense of the Member(s) will also be accepted. The Postal Ballot Form(s) may also be deposited personally at the address given thereon. The duly completed Postal Ballot Form(s) should reach the Scrutinizer at the registered office of the Company not later than 6:00 p.m. on **29th May, 2015 to be eligible for being considered, failing which, it will be strictly treated as if no reply** has been received from the Member.

Members desiring to opt for remote e-voting as per facilities arranged by the Company are requested to read the instructions under the section “Instructions for Voting”.

The Scrutinizer will submit her report to the Whole-time Director after the completion of the scrutiny of the postal ballots (including remote e-voting). The result of postal ballot shall be declared on 1st **June, 2015** and communicated to the Stock Exchanges and would also be displayed on the Company’s website at www.ctepl.com.

Item No. 1

To approve the Employee Stock Option Scheme – 2015 (ESOS-2015) for employees of the Company.

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

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b), and all other applicable provisions, if any, of the Companies Act, 2013 as amended, modified or re-enacted from time to time, including the Memorandum and the Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended, modified or re-enacted from time to time (hereinafter referred to as “SEBI Regulations”) or any other provisions applicable and subject to such other 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 Employee Stock Option Scheme 2015 (“ESOS 2015”) and to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee, including the ESOP Committee/Compensation Committee/Nomination and Remuneration Committee which the Board has constituted, or any other committee which the Board may constitute from time to time, to exercise its powers, including the powers conferred by this resolution), to create, offer, issue and allot at any time to or to the benefit of such person(s) who are in permanent employment of the Company, in India or out of India, including any director of the Company, except an employee/director who is a promoter or belongs to the promoter group and Independent Directors as defined in Companies Act, 2013 and related rules, options exercisable into not more than 20,00,000 Equity Shares of the Company (“Equity Share(s)”) which shall be acquired from the secondary market through CTE Employees Foundation, a Trust set-up by the company, or through preferential allotment from the Company to the said Trust, at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the board in accordance with the provisions of the ESOS - 2015 and the applicable laws and regulations, provided that such equity shares acquired by the said trust through secondary

market, under ESOS-2015, in a financial year shall not exceed 2% (two per cent) of the paid up equity capital as at the end of the previous financial year and at any point of time shall in aggregate not exceed 5% (five per cent) of the paid up equity capital of the company.”

“**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issues, merger, sale of division and others, 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 ceiling of 20,00,000 Equity Shares shall be deemed to be increased to the extent of such additional Equity Shares issued.”

“**RESOLVED FURTHER THAT** the maximum number of Securities issued/granted in terms of this resolution, to any single Employee (including any Director) during any one year shall be less than one percent of the issued and paid-up equity shares of the company”.

“**RESOLVED FURTHER THAT** the Board be and is hereby authorised to formulate, evolve, decide upon and bring into effect the ESOS-2015 on such terms and conditions as contained in the Explanatory Statement to this Item in the Notice and to make any modification(s), changes, variation(s), alteration(s) or revision(s) in the terms and conditions of the ESOS -2015 from time to time including but not limited to, amendment(s) or revision(s) in the terms and conditions of the ESOS -2015 from time to time including but not limited to amendment(s) with respect to vesting period and schedule, number of options, exercise price, exercise period, eligibility criteria or to suspend, withdraw, terminate or revise the ESOS -2015”.

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage, without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval there to expressly by the authority of this resolution”.

“**RESOLVED FURTHER THAT** all the lapsed options will be added back to ESOS-2015 pool and the Board be and is hereby authorised to allot these lapsed options to the eligible employees as per the ESOS-2015”.

“**FURTHER RESOLVED THAT** notwithstanding anything contained anywhere the employees are free to surrender their options voluntarily, if in their opinion, the options granted are not beneficial to them, even before the expiry of their exercise period.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any powers conferred herein, to any committee of Directors with a power to further delegate to any executives/officers of the company to do all such acts, deed, matters and things as also to execute such documents, writings, etc. as may be necessary in this regard”.

Item No. 2

To approve the Employee Stock Option Scheme – 2015 (ESOS-2015) for employees of the subsidiary companies, holding companies and associate companies of the Company.

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 62(1)(b), and all other applicable provisions, if any, of the Companies Act, 2013 as amended, modified or re-enacted from time to time, including the Memorandum and the Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended, modified or re-enacted from time to time (hereinafter referred to as “SEBI Regulations”) or any other provisions applicable and subject to such other 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, 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, including the ESOP Committee/Compensation Committee/Nomination and Remuneration Committee which the Board has constituted, or any other committee which the Board may constitute from time to time, to exercise its powers, including the powers conferred by this resolution), the consent of the members be and is hereby accorded to the board to extend the benefits of the said ESOS-2015 referred to in the resolution under Item No.1 of this postal ballot notice to the benefit of such person(s) who are in permanent employment of the subsidiary companies, holding companies and associate companies of the Company by way of grant of options exercisable into fully paid up equity shares of Rs.10/- each which shall be acquired from the secondary market through CTE Employees Foundation, a trust set-up by the company, or through preferential allotment from the Company to said trust at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the board in accordance with the provisions of the ESOS-2015 and the applicable laws and regulations, provided that such equity shares acquired by the said trust through secondary market, under ESOS-2015, in a financial year shall not exceed 2% (two per cent) of the paid up equity capital as at the end of the previous financial year and at any point of time shall in aggregate not exceed 5% (five per cent) of the paid up equity capital of the company.

“**RESOLVED FURTHER THAT** the board be and is hereby authorized to make modifications, changes, variations, alterations or revisions in the Scheme, from time to time or to suspend, withdraw or revise the Scheme from time to time and settle all questions, queries, difficulties or doubts that may arise in relation to the implementation of the Scheme and incur expenses in

relation thereto, as it may deem fit, from time to time in its sole and absolute discretion in conformity with the provisions of the Act, the Memorandum and Articles of Association of the company, SEBI Regulations and any other applicable laws”.

Item No. 3

To approve the Secondary Acquisition of equity shares for implementing Employee Stock Option Scheme – 2015 (ESOS-2015) through Trust.

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

“RESOLVED THAT pursuant to Regulation 6 of Chapter II of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended, modified or re-enacted from time to time (hereinafter referred to as “SEBI Regulations”) and the applicable provisions, if any, of the Companies Act, 2013 as amended, modified or re-enacted from time to time, including the Memorandum and the Articles of Association of the Company, or any other provisions applicable and subject to such other 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, 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, including the ESOP Committee/Compensation Committee/Nomination and Remuneration Committee which the Board has constituted, or any other committee which the Board may constitute from time to time, to exercise its powers, including the powers conferred by this resolution), the consent of the members be and is hereby accorded to the CTE Employees Foundation, a trust set – up by the Company, to acquire shares not exceeding 5% (five per cent) of the total paid-up share capital of the Company from secondary market at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the board in accordance with the provisions of the ESOS-2015 and the applicable laws and regulations to implement the ESOS-2015”.

“RESOLVED FURTHER THAT the board be and is hereby authorized to do all acts, deeds and things that may be required to implement the ESOS -2015”.

Item No. 4

To approve the additional acquisition of the equity shares through Trust.

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

“RESOLVED THAT pursuant to Regulation 6 of Chapter II Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended, modified or re-enacted from time to time (hereinafter referred to as “SEBI Regulations”) and the applicable provisions, if any, of the Companies Act, 2013 as amended, modified or re-enacted from time to time, including the Memorandum and the Articles of Association of the Company, or any other provisions applicable and subject to such other 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, 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, including the ESOP Committee/Compensation Committee/Nomination and Remuneration Committee which the Board has constituted, or any other committee which the Board may constitute from time to time, to exercise its powers, including the powers conferred by this resolution), the consent of the members be and is hereby accorded to the CTE Employees Foundation, a trust set – up by the Company, to acquire additional shares from secondary market at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the board, in case the share capital expands due to capital expansion undertaken by the company including preferential allotment of shares or qualified institutions placement, to maintain the 5% (five per cent) prescribed in resolution item No. 3 of this postal ballot notice”.

RESOLVED FURTHER THAT the board be and is hereby authorized to do all acts, deeds and things that may be required in this regard”.

Item No. 5:

To approve the provision of money by company for purchase of its own shares by trustees for the benefit of employees pursuant ESOS-2015:

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 67(3) read with Rule 16 of the Companies (Share Capital and Debentures) Rules, 2014 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder as amended, modified or re-enacted from time to time, including the Memorandum and the Articles of Association of the Company, or any other provisions applicable and subject to such other 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, 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, including the ESOP Committee/Compensation Committee/Nomination and Remuneration Committee which the Board has constituted, or any other committee which the Board may constitute from time to time, to exercise its powers, including the powers conferred by this resolution), the consent of the members be and is hereby

accorded to provide financial assistance (including without any interest), to the CTE Employees Foundation (herein after referred to as "Trust") as may be deemed fit, to enable the Trust to subscribe for or acquire or purchase the equity shares of the company subject to compliance with the applicable laws and regulations".

"FURTHER RESOLVED THAT THE aggregate of the monies lend by the Company to Trust to subscribe for shares of the Company or for purchase of shares of the company from secondary market at any point of time, which shall not exceed 5% (five per cent) of the aggregate of the paid-up capital and free reserves of the Company".

"RESOLVED FURTHER THAT the board be and is hereby authorized to do all acts, deeds and things that may be required in this regard".

**Place: Hyderabad
Date: 29.04.2015**

**By order of the Board of Directors
for Cambridge Technology Enterprises Limited**

**Sd/-
Raghurama Swaroop
Whole-Time Director
(DIN: 00453250)**

NOTES:

1. The relevant Explanatory Statement pursuant to the provisions of Section 102(1) of the Companies Act, 2013 in respect of Item Nos. 1 and 5 set out in the Notice is annexed hereto.
2. The Postal Ballot Notice is being sent to the Members whose names appear on the Register of Members/List of Beneficial Owners as received from National Securities Depository Limited and Central Depository Services (India) Limited as on 24th April, 2015. As per Section 110 of the Act, read with Rule 22 of the Companies (Management and Administration) Rules, 2014, notice of the Postal Ballot may be served on the members through electronic means. The Postal Ballot Notice is being sent to Members in electronic form to the email address registered with their Depository Participant (in case of electronic shareholding) and to the email address registered with the Company's Registrar and Share Transfer Agents (in case of physical shareholding). In case of Members whose email id is not registered, physical copy of Postal Ballot Notice is being sent by permitted mode along with a postage pre-paid self addressed Business Reply Envelope.
3. The Members whose name appears on the Register of Members/List of Beneficial Owners as on 24th April, 2015 will be considered for the purpose of voting.
4. Resolutions passed by the Members through Postal Ballot are deemed to have been passed as if the same have been passed at a General Meeting of the Members.
5. The Members can opt for only one mode of voting, i.e., either by physical ballot or remote e-voting. In case Members cast their votes through both the modes, voting done by remote e-voting shall prevail and votes cast through physical postal ballot form will be treated as invalid.
6. All the material documents referred to in the Notice will be made available for inspection by the Members at the registered office of the Company during working hours on any working day.
7. Please see the instructions for voting by postal ballot (including remote e-voting) which have been printed herein.
8. For remote e-Voting instructions and members entitled to cast their vote through postal ballot in physical form may refer instructions which are given as part of this notice.

In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com,

**Place: Hyderabad
Date: 29.04.2015**

**By order of the Board of Directors
for Cambridge Technology Enterprises Limited**

**Sd/-
Dharani Raghurama Swaroop
Whole-Time Director
(DIN: 00453250)**

EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013

Item Nos. 1, 2, 3 and 4

To attract talented employees / Directors, it is necessary to provide incentive to the employees to remain with the company and to reward them with the opportunities to have a share in the success of the company. To achieve this objective, it is proposed to grant an option to the employees to subscribe to the shares of the company.

Accordingly, the Board of Directors ("the Board") of the Company at its meeting held on 29th April, 2015, subject to the approval of the members has approved introduction of the 'Employee Stock Option Scheme 2015' (hereinafter referred to as the "ESOS -2015") and subject to the approval of the Members and the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (the "SEBI Regulations"), the Board has also authorised ESOP Committee/Compensation committee/ Nomination and Remuneration Committee to formulate the detailed terms and conditions of the ESOS-2015 and to administer and implement the ESOS-2015 in accordance with the Companies Act, 2013 and SEBI Regulations.

The Members are informed that the shares being offered under the ESOS-2015 would not exceed 20,00,000 equity shares of the face value of Rs. 10/- each, subject to increase in the said shares as stated in the above resolutions. Approval of the Members is being sought for approval of ESOS-2015 for issue of Stock Options to eligible employees of the Company. The ESOS-2015 will be implemented by the Trust.

The ESOS 2015 is being formulated in accordance with the Companies Act, 2013 and SEBI Regulations. The salient features of the ESOS 2015 are as follows:

1. Administration

- 1.1. The ESOP Committee/Compensation Committee/Nomination and Remuneration Committee duly constituted by the Board of Directors would be entrusted with the responsibility of being the operating Agency for administering the ESOS-2015.
- 1.2. The Committee shall be formulating Employee Stock Option Scheme (Scheme) from time to time for the benefit of the employees, ESOP Committee/Compensation Committee/Nomination and Remuneration Committee will specify, inter alia, the following:
 1. The total number of stock options to be granted;
 2. Identification of classes of employees entitled to participate in the Employees Stock Option Scheme;
 3. The appraisal process for determining the eligibility of employees to the Employees Stock Option Scheme 2015.
 4. Requirements of vesting, period of vesting and maximum period of vesting;
 5. The exercise price or the formula;
 6. The exercise period and process of exercise;
 7. The Lock-in period, if any;
 8. The maximum number of options to be granted per employee and in aggregate;
 9. The method which the company shall use to value its options;
 10. The conditions under which option vested in employees may lapse e.g. in case of termination of employment for misconduct;
 11. The specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee;
 12. Power to Surrender the Options;
 13. Disclosure and Accounting Policy and other disclosures;
 14. A statement to the effect that the company shall comply with the applicable accounting standards;
 15. Tax Liability;
 16. Modification of the Scheme;
 17. Contract of employment;
 18. Governing regulations;
 19. General Risks

1.3. Implementation of ESOS 2015 through Trust:

The scheme shall be implemented through CTE Employees Foundation (herein after referred to as the "Trust"). The Trust shall be authorized to acquire equity shares of the Company from the secondary market or to subscribe for equity shares of the Company. The Company proposes to provide financial assistance to the Trust for this purpose subject to the overall limits specified under the Applicable Laws, if any.

2. The total number of options to be granted:

The total number of options to be granted under this scheme cannot exceed 20,00,000 options of the face value of Rs. 10/- each or such additional quantity as may be required on account of Corporate Action or acquisition of additional shares in case of increase of capital. The options which lapse/expire or are forfeited will be available for grant to the eligible employees.

One option would entitle the holders of options a right to apply for one equity share of face value of Rs. 10/- each of the company. The option shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner. The Committee has power to choose the quantum of options for each of the schemes.

3. Identification of classes of employees entitled to participate in the ESOS-2015:

Employees entitled to participate in the ESOS - 2015 are:

- a. Permanent employee of the company who has been working in India or outside India; or, as may be decided by the board / committee.
- b. Directors (Including whole – time Directors) of the company at any time.
- c. An employee as defined in clauses (a) or (b) of a subsidiary, in India or outside India, or of a holding company of the company or of an associate company.
- d. Such other persons, as may from time to time, be allowed under prevailing laws and regulations and as may be approved by the board/committee for this purpose.

Above persons are referred herein collectively as the "Eligible Employees"

An employee who is a promoter or belongs to promoter group or a director who either by himself or through his relative or through any body corporate, directly or indirectly holds more than 10 percent of the outstanding equity shares of the company at the time of granting of option shall not be eligible to participate in ESOS-2015. Independent Directors shall not be eligible to receive any stock options.

4. The appraisal process for determining the eligibility of employees to the Employees Stock Option Scheme 2015:

The process for determining the eligibility criteria for the eligible employees will be specified by the ESOP Committee/ Compensation committee/Nomination and Remuneration Committee, and will be based on, such criteria such as length of service, grade, performance, technical knowledge, leadership qualities, merit, contribution and conduct, future potential., etc., and such other factors as may be appropriate as may be decided by the ESOP Committee/Compensation committee/ Nomination and Remuneration Committee, in its discretion, from time to time.

5. Requirements of vesting, period of vesting and maximum period of vesting:

There shall be a minimum period of one year between the grant of options and vesting of options. The Vesting of options may be spread over a period of three years from the date of grant. The committee is empowered to implement and decide the vesting schedule to suit the needs of the organization.

The options may vest in tranches subject to the terms and conditions as may be stipulated by the Committee, which may include satisfactory performance of the Employee/Directors and their continued employment with the company, as the case may be, unless such employment is discontinued on account of death, permanent/total disability or on retirement.

6. Exercise price or pricing formula:

The exercise price shall be fixed by the ESOP Committee/Compensation committee/Nomination and Remuneration Committee from time to time at its own discretion, subject to a minimum price of par value.

7. Exercise period and the process of Exercise:

The exercise period shall commence from the date of vesting and shall expire on such date as the Board/ESOP Committee/Compensation committee/Nomination and Remuneration Committee may fix from time to time at its absolute discretion. However, in no case the exercise period shall be extended beyond five years from the date of first vesting. The options will be exercisable by the Eligible Employees by a written application to the Committee to exercise the options, in such manner, and on execution of such documents, in such manner, as may be prescribed by the ESOP

Committee/Compensation committee/Nomination and Remuneration Committee from time to time. The options will lapse if not exercised within the specified exercise period.

8. The Lock-in period, if any:

There shall be no lock-in period on shares issued/transferred to employee pursuant to exercise of option.

9. Maximum number of options to be issued per employee and in aggregate:

The maximum number of options granted per an eligible employee will not exceed 1% (one percent) of the Issued Equity Shares of the Company in any financial year and shall not be more than 5% (five percent) in aggregate to a single employee.

10. Method of Valuating the Options:

The company will adopt the fair value method to value the options granted under the Scheme or such other valuation as may be decided by the Committee.

11. The conditions under which option vested in employees may lapse e.g. in case of termination of employment for misconduct and voluntary termination and resignation:

If the employee/Director voluntarily terminates employment with the Company or termination due to resignation or termination due to misconduct as per the rules of the company, the options to the extent not vested shall lapse/expire and be forfeited forthwith. The Committee may from time to time at its absolute discretion decide and fix the conditions under which option vested in employee may lapse.

12. Specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment:

The Committee shall decide at its absolute discretion, the time within which the employee shall exercise the vested options in case of termination other than voluntary termination/ resignation of employee; however in no case such time shall be more than one year from the date of such termination.

13. Power to Surrender the Options:

The Employees are free to surrender their options voluntarily, whether vested or not, if in their opinion, the options granted are not beneficial to them, even before the expiry of their exercise period

14. Disclosure and Accounting Policy and other disclosures:

The company shall comply with the disclosure and accounting policies prescribed by securities and exchange board of India (SEBI) and any other appropriate authority, from time to time. The Company shall also disclose such information in its directors report as may be required under applicable laws from time to time.

15. A statement to the effect that the company shall comply with the applicable accounting standards:

The Company shall comply with the accounting standards as may be applicable from time to time.

16. Tax Liability

Any tax liability on account of issue of options/shares shall be that of employee alone.

17. Modifications to the Scheme

Subject to a special resolution passed at a General meeting, the Board of Directors reserves the right to change the terms and conditions of the scheme at any time, at its discretion, however such changes shall be beneficial to the employees.

18. Contract of Employment

18.1. This scheme shall not form part of any contract of employment between Cambridge Technology Enterprises Limited and the Employee. The rights and obligations of any individual under the contract of employment shall not be affected by his participation in this scheme of any right which he may have to participate in it.

18.2. Nothing in this scheme shall afford any Employee any additional right(s) as to compensation or damages in consequence of the termination of such office or employment for any reason.

18.3. The scheme shall not confer any Employee any legal or equitable right against Cambridge Technology Enterprises Limited either directly or indirectly or give rise to any cause of action in law or equity against Cambridge Technology Enterprises Limited.

19. Government Regulations:

- 19.1. This Scheme is subject to all applicable laws, rules, regulations, guidelines and to such approvals from any governmental agencies as may be required. In case of any contradiction between the provisions, rules, regulations, guidelines, issued by any governmental agencies, the provisions of law shall override the provisions of this scheme.
- 19.2. The Employees who are granted warrants/shares under the scheme shall comply with such requirements of law as may be necessary.

20. General Risks:

Cambridge Technology Enterprises Limited does not guarantee any return on the equity investment made by Employee as part of the scheme.

In terms of the provisions of the SEBI (Share Based Employee Benefits) Regulations, 2014, read with Section 62(1)(b) and with applicable rules, ESOS-2015 is required to be approved by the member by passing a special resolution..

SEBI (Share Based Employee Benefits) Regulations, 2014 also require separate approval of members by way of special resolution to grant stock options to the employees of holding and/or subsidiary companies and/or associate companies. Accordingly, a separate resolution under item no. 2 is proposed to extend the benefits of ESOS 2015 to the employees of holding and subsidiary company (ies) as may be decided by the ESOP Committee/Compensation committee/Nomination and Remuneration Committee from time to time under Applicable Laws.

The Options to be granted under the scheme shall not be treated as an offer or an invitation to public for subscription in the securities of the company.

In terms of ESOP Regulations, employees' welfare schemes can be implemented by way of Secondary Acquisition.

ESOS – 2015 is also proposed to be implemented by way of Secondary Acquisition through a trust set up by the Company. Therefore, Board proposes to acquire upto 9,81,550 (Nine lakhs eighty one thousand five hundred and fifty) equity shares of the Company representing 5% of the paid up share capital from the secondary market for the purpose of implementation of the ESOS 2015.

The Company has set up CTE Employees Foundation, an irrevocable trust for implementation of the above referred ESOS-2015. Upon approval of the members and after complying with the procedural and statutory formalities, the trust so set up, will acquire shares from the secondary market for implementation of the ESOS-2015.

SEBI (Share Based Employee Benefits) Regulations, 2014 also require separate approval of members by way of special resolution for implementation of the scheme through secondary acquisition. Accordingly, a separate resolution under item no. 3 & 4 is proposed for implementation of the scheme through secondary acquisition.

Directors/Key Managerial Personnel of the Company/their relatives other than i) Promoter Directors (iii) those directors if any, holding directly or indirectly more than 10% of the outstanding equity shares of the company, and (iii) Independent Directors of the Company shall be deemed to be interested or concerned in passing of this resolution to the extent of benefit they may derive under the Scheme.

The Board accordingly recommends the resolutions at item no. 1, 2, 3 and 4 for approval of the members as special resolutions.

All the relevant documents will be available for inspection during the office hours at the registered office of the Company till the date of conclusion of voting.

Item Nos. 5:

To attract talented employees / Directors, it is necessary to provide incentive to the employees to remain with the company and to reward them with the opportunities to have a share in the success of the company. To achieve this objective, it is proposed to grant an option to the employees to subscribe to the shares of the company.

Accordingly, the Board of Directors ("the Board") of the Company at its meeting held on 29th April, 2015, subject to the approval of the members has approved introduction of the 'Employee Stock Option Scheme 2015' (hereinafter referred to as the "ESOS-2015") and subject to the approval of the Members and the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (the "SEBI Regulations"), the Board has also authorised ESOP Committee/Compensation committee/Nomination and Remuneration Committee to formulate the detailed terms and conditions of the ESOS-2015 and to administer and implement the ESOS-2015 in accordance with the Companies Act, 2013 and SEBI Regulations.

The ESOS-2015 will be implemented through trust route by acquiring the shares from Secondary Markets or by subscribing for equity shares of the Company as per the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

To implement the ESOS-2015 the Company needs to lend monies to CTE Employees Foundation, a trust set-up by the Company for acquiring shares of the Company from the secondary markets.

As per rule 16 of the Companies (Share Capital and Debentures) Rules, 2014, the Company is required to approve the lending of monies for purchasing its shares by passing a special resolution. As required under said the following information is provided:

1. The class of employees for whose benefit the scheme is being implemented and money is being provided for purchase of or subscription to shares:

Employees entitled to participate in the ESOS – 2015 are:

- a. Permanent employee of the company who has been working in India or outside India; or, as may be decided by the board / committee.
- b. Directors (Including whole – time Directors) of the company at any time.
- c. An employee as defined in clauses (a) or (b) of a subsidiary, in India or outside India, or of a holding company of the company or of an associate company.
- d. Such other persons, as may from time to time, be allowed under prevailing laws and regulations and as may be approved by the board for this purpose.

Above persons are referred herein collectively as the “Eligible Employees”

An employee who is a promoter or belongs to promoter group or a director who either by himself or through his relative or through any body corporate, directly or indirectly holds more than 10 percent of the outstanding equity shares of the company at the time of granting of option shall not be eligible to participate in ESOS-2015. Independent Directors shall not be eligible to receive any stock options.

2. The particulars of the trustee or employees in whose favour such shares are to be registered;

The shares acquired pursuant to ESOS -2015 will registered in the name of Mr. **Vinayakam Purusothaman**, the trustee. However the Trustees with the approval of majority of trustees can change the same from time to time.

3. The particulars of trust and name, address, occupation and nationality of trustees and their relationship with the promoters, directors or key managerial personnel, if any;

The name of the trust through which the ESOS-2015 is to be implemented is CTE Employees Foundation (herein after referred to as the “Trust”). The Trust is situated at Unit No. 04-03, Level 4, Block 1, Cyber Pearl, Hitec - City, Hyderabad, Telangana - 500081

The details of the Trustees of “CTE Employees Foundation” are detailed below:

Name of the Trustee	Address	Occupation	Nationality	Relationship with promoters/directors / Key managerial personnel
Vinayakam Purusothaman	H.no.4-224, Geethanagar, Malkajiri,Hyderabad - 500081	Service	Indian	Not Related to any of the above
Venkata Narayana Gorla	Plot No.56, F-G3, Sai Plaza II, Geeta Nagar, Sainthapuram, Old Safilguda,Hyderabad - 500056	Service	Indian	Not Related to any of the above

4. the any interest of key managerial personnel, directors or promoters in such scheme or trust and effect thereof;

Directors/Key Managerial Personnel of the Company/their relatives other than i) Promoters (ii) those directors if any, holding directly or indirectly more than 10% of the outstanding equity shares of the company, and (iii) Independent Directors of the Company shall be deemed to be interested or concerned in Scheme to the extent the Committee may grant the options. However they are no way concerned or interested in the Trust.

Promoters, those directors if any, holding directly or indirectly more than 10% of the outstanding equity shares of the company, and Independent Directors are not interested in the Trust or Scheme

5. the detailed particulars of benefits which will accrue to the employees from the implementation of the scheme;

The eligible employee to whom the committee has granted the options will get one equity shares for every vested option on exercise.

6. the details about who would exercise and how the voting rights in respect of the shares to be purchased or subscribed under the scheme would be exercised;

As per Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 the trustees of a trust, which is governed under these regulations, shall not vote in respect of the shares held by such trust, so as to avoid any misuse arising out of exercising such voting rights.

Directors/Key Managerial Personnel of the Company/their relatives other than i) Promoter Directors (iii) those directors if any, holding directly or indirectly more than 10% of the outstanding equity shares of the company, and (iii) Independent Directors of the Company shall be deemed to be interested or concerned in passing of this resolution to the extent of benefit they may derive under the Scheme.

The Board accordingly recommends the resolutions at item no. 5 for approval of the members as a special resolution.

All the relevant documents will be available for inspection during the office hours at the registered office of the Company till the date of conclusion of voting.

Place: Hyderabad
Date: 29.04.2015

By order of the Board of Directors
for Cambridge Technology Enterprises Limited

Sd/-
Dharani Raghurama Swaroop
Whole-Time Director
(DIN: 00453250)

INSTRUCTIONS FOR VOTING

Voting in Physical form:

1. A shareholder desiring to exercise vote by Postal Ballot may complete the postal ballot form (no other form or photocopy thereof is permitted) and send it to the Scrutinizer in the attached self-addressed envelope. Postage will be borne and paid by the Company. However, the envelope containing the postal ballot form, if sent by courier or any other mode at the expense of the shareholder, will also be accepted.
2. Duly completed postal ballot forms should reach not later than 6.00 p.m. on **29th May, 2015**. All postal ballot forms received thereafter will be treated as if the reply from the shareholder has not been received.
3. Assent or dissent to the proposed resolution may be recorded by placing a tick mark (–) in the appropriate column.
4. This form is to be completed and signed by the shareholder (as per signature registered with the Company). In case of joint holding, this form should be completed and signed by the first-named shareholder and in his/her absence, by the next named shareholder. There will be only one postal ballot form for each folio irrespective of the number of joint holder(s).
5. In case the form is signed by the Power of Attorney holder for and on behalf of the shareholder, it must be accompanied by the Power of Attorney. In case of shares held by companies, trusts, societies and bodies corporate, the duly completed postal ballot form should be accompanied by a certified true copy of the Board/Governing Body Resolution.
6. Unsigned postal ballot forms will be summarily rejected.
7. A shareholder need not use all his votes nor he need to cast all his votes in the same manner.
8. Shareholders are requested not to send any other paper along with the postal ballot form in the enclosed self-addressed envelope since all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
9. The attached self-addressed envelope is only for the limited purpose of this postal ballot process and the same should not be used by the shareholder for sending any other correspondence to the Company.
10. In case a Member is desirous of obtaining Postal Ballot Form in printed form or a duplicate, the Member may send an e-mail to investors@ctepl.com or write to Cambridge Technology Enterprises Limited, Unit No. 04-03, Level 4, Block 1, Cyber Pearl, Hitec - City, Hyderabad, Telangana -500081. The Registrar and Transfer Agent/Company shall forward the same along with postage pre-paid self addressed Business Reply envelope to the Member. However, the duly filled in duplicate postal ballot form should reach the Scrutinizer not later than the date specified at instruction No. 2 above. On receipt of the duplicate Postal Ballot Form, the original will be rejected.

INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER:

- (i) The remote e-voting period begins on 30th April, 2015 at 9.30 A.M. and ends on 29th May, 2015 at 6.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 24th April, 2015, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

FOR MEMBERS HOLDING SHARES IN DEMAT FORM AND PHYSICAL FORM	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for remote e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant **Cambridge Technology Enterprises Limited** on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

**CAMBRIDGE TECHNOLOGY ENTERPRISES LIMITED**

CIN: L72200AP1999PLC030997

Registered Office: Unit No. 04-03, Level 4, Block 1, Cyber Pearl, Hitec-City, Madhapur, Hyderabad – 500081

Tel: 91 040- 40234400 Fax: 91 040-40234600

Website: www.ctepl.com, Email: investors@ctepl.com

POSTAL BALLOT FORM

S.No:

1. Name of the 1st Shareholder
and Address:

2. Joint Holder 1:

Joint Holder 2:

3. DP ID No./Client ID No.
Registered Folio:

4. No. of shares held:

5. Class of shares:

6. I/We hereby exercise my/our vote in respect of the following special resolution(s) to be passed through postal ballot for the business stated in the Notice of the Company by sending my/our assent or dissent to the said resolution by placing tick (✓) mark at the appropriate box below:

S. No.	DESCRIPTION	No. of Shares for which vote is exercised/ cast	I/We assent to the Resolution	I/We dissent to the Resolution
01.	Approval of the Employee Stock Option Scheme – 2015 (ESOS-2015) for employees of the Company.			
02.	Approval of the Employee Stock Option Scheme – 2015 (ESOS-2015) for employees of the subsidiary companies, holding companies and associate companies of the Company.			
03.	Approval for the Secondary Acquisition of equity shares for implementing Employee Stock Option Scheme – 2015 (ESOS-2015) through Trust.			
04.	Approval for the additional acquisition of equity shares through Trust.			
05.	Approval for the provision of money by company for purchase of its own shares by trustees for the benefit of employees pursuant ESOS-2015			

Place:

Date:

Signature of Shareholder**CAMBRIDGE TECHNOLOGY ENTERPRISES LIMITED**

CIN: L72200AP1999PLC030997

Registered Office: Unit No. 04-03, Level 4, Block 1, Cyber Pearl, Hitec-City, Madhapur, Hyderabad – 500081

Tel: 91 040- 40234400 Fax: 91 040-40234600

Website: www.ctepl.com, Email: investors@ctepl.com

POSTAL BALLOT FORM

S.No:

1. Name of the 1st Shareholder
and Address:

2. Joint Holder 1:

Joint Holder 2:

3. DP ID No./Client ID No.
Registered Folio:

4. No. of shares held:

5. Class of shares:

6. I/We hereby exercise my/our vote in respect of the following special resolution(s) to be passed through postal ballot for the business stated in the Notice of the Company by sending my/our assent or dissent to the said resolution by placing tick (✓) mark at the appropriate box below:

S. No.	DESCRIPTION	No. of Shares for which vote is exercised/ cast	I/We assent to the Resolution	I/We dissent to the Resolution
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02.	Approval of the Employee Stock Option Scheme – 2015 (ESOS-2015) for employees of the subsidiary companies, holding companies and associate companies of the Company.			
03.	Approval for the Secondary Acquisition of equity shares for implementing Employee Stock Option Scheme – 2015 (ESOS-2015) through Trust.			
04.	Approval for the additional acquisition of equity shares through Trust.			
05.	Approval for the provision of money by company for purchase of its own shares by trustees for the benefit of employees pursuant ESOS-2015			

Place:

Date:

Signature of Shareholder