

## NOTICE

**Notice** is hereby given that 8<sup>th</sup> Annual General Meeting of the members of Cambridge Technology Enterprises Ltd will be held on Saturday the **29<sup>th</sup> day of September, 2007 at Hotel Aditya Park Inn**, Senate 1&2, Aditya Trade Centre, Ameerpet, Hyderabad - 500 038 at 11.00 a.m. to transact the following business:

### Ordinary Business

- To receive, consider and adopt the Balance Sheet of the Company as at 31<sup>st</sup> March, 2007 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditors' thereon.
- To appoint a Director in place of Mr. Bhaskar C Panigrahi who retires by rotation and being eligible offers himself for re-appointment.
- To appoint a Director in place of Mr. DRR Swaroop who retires by rotation and being eligible offers himself for re-appointment.
- To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
**"RESOLVED THAT** M/s Walker, Chandiook & Co., Chartered Accountants, 53A, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034, be and are hereby appointed as 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 in place of the retiring auditors M/s Narven Associates, Chartered Accountants, Hyderabad, who have opted not to be re-appointed, for auditing the accounts of the Company for the financial year 2007-2008 and in this regard, the Board of Directors/Committee of the Board be and are hereby authorized to fix their remuneration plus traveling and other out of pocket expenses incurred by them in connection with statutory audit and/or continuous audit and also such other remuneration, as may be decided to be paid by the Board of Directors/Committee of the Board of Directors, for performing duties other than those referred to herein above".

### Special Business

- To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
**"RESOLVED THAT** Mr. R. Natarajan, 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 proposing his candidature for the office of Director, be and is hereby appointed as Director of the company liable to retire by rotation".
- To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
**"RESOLVED THAT** Mr. H.K. Katti, 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 proposing his candidature for the office of Director, be and is hereby appointed as Director of the company liable to retire by rotation".
- To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
**"RESOLVED THAT** Mr. Kamlesh S Gandhi, 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 proposing his candidature for the office of Director, be and is hereby appointed as Director of the company liable to retire by rotation".
- 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 163 of the Companies Act, 1956 the Company hereby approves that the register of members,

indexes, returns and copies of certificates and documents, instead of being kept at the registered office of the Company at Plot No.1244, Road No.36, Jubilee Hills, Hyderabad – 500 033 be kept at M/s Bigshare Services Private Ltd, G-10, Left Wing, Amrutha Ville, Opp. Yashoda Hospital, Rajbhavan Road, Hyderabad – 500 082 where the necessary registers, indexes, returns as mentioned above shall remain open for inspection during business hours of the Company from 9.30 a.m. to 4.30 p.m. except Saturdays".

- To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:  
**"RESOLVED THAT** the Directors of the Company other than the Managing / Whole-time Director(s) be collectively granted up to 50,000 stock options in aggregate at any point of time during the financial years starting from financial year 2007-2008 and ending with financial year 2011-2012 and out of which up to 20,000 stock options be granted in a financial year to all the above Directors collectively under any of the stock option plans, either existing or to be framed in future, on such terms and conditions as the Board of Directors may in its absolute discretion think fit".
- 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 Currency 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”.

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

**“RESOLVED THAT** in supersession of the resolution at the Annual General Meeting of the Company held on 21<sup>st</sup> April, 2006 and pursuant

to Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow, from time to time, any sum or sums of money which together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) may exceed aggregate of the paid-up capital of the company and its free reserves not set apart for any specific purpose, provided that the total amount of moneys so borrowed shall not, at any time exceed the limit of Rs. 200 crores (Rupees Two Hundred Crores only)”.

**“RESOLVED FURTHER** that the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required”.

12. 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 to approximately US \$ 3 (three) Million representing the total issued and outstanding stock in the capital of **Reilly & Associates Inc.** being purchase consideration for acquisition of M/s Reilly & Associates Inc., as 100% wholly owned subsidiary of the company pursuant to Letter of Intent dt. 22<sup>nd</sup> February, 2007, 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”.

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 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 upto 42,50,000 Equity Warrants convertible into 42,50,000 equity shares on preferential basis, of Rs.10/- each at a price of Rs. 55/- per share, for cash consideration (inclusive of premium of Rs. 45/- per share) being the price which is in accordance with the SEBI Guidelines for preferential issues aggregating to Rs. 23,37,50,000/- 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 Equity warrants to be allotted
1.	M/s Rosebury Investments Pte Ltd	Non-Promoter	19,50,000
2.	Prime Genius Investments Pte Ltd	Non-Promoter	23,00,000
	Total		42,50,000

**"RESOLVED FURTHER THAT** the equity shares issued on conversion of the 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 **29th August, 2007**.

**"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 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".

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

Increase of authorized share capital:

**"RESOLVED THAT** pursuant to the provisions of Section 94(1)(a) of the Companies Act, 1956 approval of the members be and is hereby accorded to increase the authorized share capital of the company from Rs.20,00,00,000/- (Twenty Crores only) divided into 2,00,00,000 (Two Crore only) equity shares of Rs.10/- each (Rupees Ten only) each to Rs. 30,00,00,000/- (Thirty Crore only) divided into 3,00,00,000 (Three Crore only) equity shares of Rs.10/- (Rupees Ten only) each by creation of 1,00,00,000 further equity shares of Rs.10/- each ranking pari-passu with the existing equity shares".

15. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

Alteration of Capital Clause of the Memorandum of Association:

**"RESOLVED THAT** the existing Clause V of the Memorandum of Association of the Company be and is hereby deleted and in its place the following Clause V be substituted:

V "The Authorised Share Capital of the company is Rs. 30,00,00,000/- (Rupees Thirty Crore only) divided into 3,00,00,000 (Three Crore only) equity shares of Rs.10/- (Rupees Ten only) each.

The Company shall have power to increase or reduce the capital and to issue any shares with special rights or privileges as to voting, dividend, repayment of capital or otherwise or to subject the share to any restriction, limitation and conditions and to vary, modify or abrogate any such rights, privileges, restrictions or conditions. The rights of the

holders of any class of shares for the time being forming part of the capital of the company may be modified, affected, varied, extended or surrendered".

For and on behalf of the Board

Place: Bangalore  
Date: 4<sup>th</sup> September, 2007

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 will remain closed from **Wednesday, 26<sup>th</sup> September, 2007 to Saturday, 29<sup>th</sup> September, 2007** (both days inclusive) in connection with the Annual General Meeting to be held on Saturday, the **29<sup>th</sup> day of September, 2007**.
5. 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.
6. 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.
7. Members desiring to seek any information / clarifications on the Annual accounts are requested to write to the company atleast 7 (seven) days before the AGM to enable the management to compile and keep the information ready.
8. 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.
9. 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.

#### Explanatory statement

**(Pursuant to section 173(2) of the companies act, 1956).**  
(Forming part of the AGM Notice dated 31st July, 2007)

#### Item No. 4

Currently, the company's accounts are being audited by M/s Narven Associates, Chartered Accountants, Hyderabad who hold office until the conclusion of the ensuing Annual General Meeting.

M/s Narven Associates vide their letter dated 25<sup>th</sup> July 2007 have expressed their intention not to opt for re-appointment at this meeting. The Board places on record its appreciation for the services rendered by M/s Narven Associates as the statutory Auditors of the company since inception.

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 Walker, Chandio & Co as the Statutory Auditors of the company has been received as required under the above referred Sections.



Accordingly, the Board of Directors of the company, on the recommendations of the Audit Committee, proposes the appointment of M/s Walker, Chandio & Co, Chartered Accountants, Hyderabad as the 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 Walker, Chandio & 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 Walker, Chandio & 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. 5**

Mr. R. Natarajan was appointed as additional director by the Board in its meeting held on 25.4.2006. In terms of Section 260 of the Companies Act, 1956. Mr. R. Natarajan 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 alongwith the requisite deposit proposing the candidature of Mr. R. Natarajan, for the office of Director whose term of office is liable to retire by rotation.

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

Your Directors commend the resolution for approval.

**Item No. 6**

Mr. H.K. Katti was appointed as additional director by the Board in its meeting held on 30.4.2006. In terms of Section 260 of the Companies Act, 1956. Mr. H.K. Katti, 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 alongwith the requisite deposit proposing the candidature of Mr. H.K. Katti, for the office of Director whose term of office is liable to retire by rotation.

None of the directors except Mr. H.K. Katti is deemed to be interested or concerned in the said resolution.

Your Directors commend the resolution for approval.

**Item No. 7**

Mr. Kamlesh S Gandhi was appointed as additional director by the Board in its meeting held on 31<sup>st</sup> July, 2007. In terms of Section 260 of the Companies Act, 1956, Mr. Kamlesh S Gandhi 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 alongwith the requisite deposit proposing the candidature of Mr. Kamlesh S Gandhi, for the office of Director whose term of office is liable to retire by rotation.

None of the directors except Mr. Kamlesh S Gandhi is deemed to be interested or concerned in the said resolution.

Your Directors commend the resolution for approval.

**Item No. 8**

Subsequent to the Allotment and Listing of the equity shares at BSE and NSE, the Register of Members and Share Transfer Books of the Company and other Returns are required to be maintained by the Registrar and Share Transfer Agents M/s Bigshare Services Pvt. Ltd., at its Hyderabad Branch office. Hence, the company proposes to maintain the Register of Members and Share Transfer Books of the Company at the office of the Registrar and share transfer agent in Hyderabad.

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**

Keeping in view the growing demand for independent directors and in order to attract and retain the professional talents/expertise, the Board of Directors proposed to implement and grant Stock Options to the directors other than Managing / Whole-time directors.

The Company has Employee Stock Option Scheme, which covers employees and Whole-Directors of the Company and employees of its subsidiaries.

As per the revised Clause 49 of the listing agreement, which has come into effect from January 1, 2006, it is now mandatory for the companies to seek approval of the Shareholders to specify the limit on the number of stock options that can be granted to non-executive Directors including Independent Directors, in any financial year and in aggregate. Resolution under Item No. 9 of the Notice specifies the limits for the maximum number of stock options that can be granted to independent Directors of the Company, in any financial year and in aggregate.

None of the Directors except Non-Executive Directors is deemed to be interested or concerned in the said resolution.

Your Directors commend the resolution for approval.

**Item No. 10**

The Company is considering various growth opportunities through acquisitions both in US market and in India. Towards this, the company plans to augment long-term resources to strengthen its financial position, to meet its growth objectives. Hence, it is accordingly proposed to issue securities in the domestic / international markets as set out in the above resolution.

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 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.

Hence, the above resolution is being proposed as a Special resolution to obtain consent of the shareholders authorizing the Board of Directors to make the proposed issue of Securities and in the event it is decided to issue Equity shares/Securities convertible into Equity shares, to issue to the holders of such Convertible Securities in such manner and such number of equity shares on conversion etc., as may be required to be issued in accordance with the terms of the issue.

None of the directors is deemed to be interested or concerned in the said resolution except to the extent of their respective shareholding in the Company.

Your Directors commend the resolution for approval.

**Item No. 11**

Section 293(1)(d) of the Act provides that the Board of Directors cannot, except with the consent of the Company in General Meeting, borrow moneys together with the moneys already borrowed by the company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), in excess of the aggregate of the paid-up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose.

At the Annual General Meeting of the Company held on 21<sup>st</sup> April, 2006 the members had authorized the Board of Directors to borrow moneys for an amount not exceeding Rs. 15 Crores. In order to enable the Board of Directors, as and when required, to meet the requirement of funds for future expansion / growth plans or any other corporate purpose, it is proposed to increase the borrowing limit upto Rs. 200 crores (apart from temporary loans) as mentioned in item 11 of the notice.

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 order to achieve substantial inorganic growth and to capture emerging business opportunities your Company has decided to acquire **M/s Reilly & Associates Inc.** as 100% wholly owned subsidiary and completed signing of Letter of Intent on 22/2/2007 subject to approval of the shareholders and other legal formalities for closing the acquisition deal.

**A brief profile of M/s Reilly & Associates Inc., is as under:**

Reilly & Associates Inc., is an established Subject Matter Expert (SME) for Oracle Process Manufacturing implementations for Big 4, Medium and smaller consulting firms with vast experience in working with mid-sized companies and has a client base of over 60. Reilly & Associates Inc., is also a certified Oracle solution partner specializing in the implementation of Oracle's e-business suite in Process Manufacturing Companies.

This acquisition would potentially bring in additional revenue in the ERP segment to your Company for the current financial year 2008, augment the Company's SOA migration services portfolio & bring the combined entity closer to the Company's vision of being a 'go-to IT partner for mid-sized enterprises'. While Reilly & Associates Inc., would enrich the Company with its expertise in Oracle Financials, Customer Relationship Management (CRM), Enterprise Asset Management (EAM), Oracle Process Manufacturing (OPM) and Oracle Accelerators, which benefits Company's customers, it also opens up avenues of providing value added SOA migration & global delivery services to the Reilly's existing customer base.

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.13**

As per Section 81(1A) of the Companies Act, 1956, approval of the shareholders in the General Meeting is required for issue and allotment of warrants which are convertible into equity shares, on preferential basis and hence the resolution is placed before the shareholders.

The Company proposes to allot and issue 42,50,000 Convertible Warrants of Rs.10/- each at a price of Rs. 55/- per equity share (including premium of Rs.45/-) as per SEBI pricing formula to M/s Rosebury Investments Pte Ltd & Prime Genius Investments Pte Ltd for cash consideration who belong

to Non-Promoter category on preferential basis subject to necessary approval of RBI/FIPB etc., and other Government/statutory approvals, if any.

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 to meet the following requirements:

- Expansion of IT infrastructure and facilities.
- Expansion of Global operations and Market Reach.
- IP Creation, Re-usable components library.
- Mergers and Acquisitions (M&A) integration and growth activities.

**2. Pricing:**

The issue price of warrants on preferential basis shall be at a price of Rs.55/- per share including a premium of Rs.45/- per share which is the price arrived at as per SEBI Guidelines for preferential issues for the time being in force. Statutory Auditors' Certificate in accordance with Regulation 13.5.1 of SEBI Guidelines will be placed at the AGM for inspection.

**3. Payment & Conversion Terms:**

An amount equal to 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 issue of warrants, 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 within 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 **29th August, 2007** 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 proposed allotment of equity warrants upon conversion would be as under:**

Category Code	Category of shareholder	Pre-Issue		Post-Issue	
		No. of Equity Shares	% of Holding	No. of Equity Shares	% of Holding
<b>(A)</b>	<b>Shareholding of Promoter Group:</b>				
(2)	Foreign				
a.	Individuals (Non-Resident Individuals/Foreign Individuals)	2626927	16.60	2626927	13.08
b.	Bodies Corporate	7180204	45.37	7180204	35.77
	Total Shareholding of Promoter Group	<b>9807131</b>	<b>61.97</b>	<b>9807131</b>	<b>48.85</b>
<b>(B)</b>	<b>Public Shareholding</b>				
(I)	Institutions:				
f.	Foreign Institutional Investors	644780	4.07	644780	3.21
	<b>Sub-Total (B) (1)</b>	<b>644780</b>	<b>4.07</b>	<b>644780</b>	<b>3.21</b>
<b>B (2)</b>	<b>Non-Institutions:</b>				
a.	Bodies Corporate	770649	4.87	770649	3.84

b.	Individuals:				
I.	Individuals - i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	2376919	15.02	2376919	11.84
II.	ii. Individual shareholders holding nominal share capital in excess of Rs.1 lakh	228371	1.44	228371	1.14
c-i	Clearing Member / House	99853	0.63	99853	0.50
c-ii	NRI	94169	0.60	94169	0.47
c-iii	Trust	1500000	9.48	1500000	7.47
c-iv	Foreign National	226071	1.43	226071	1.13
c-v	Foreign Company	76472	0.48	4326472	21.55
	<b>Sub-Total B (2)</b>	<b>5372504</b>	<b>33.95</b>	<b>9622504</b>	<b>47.93</b>
	<b>Total (A + B)</b>	<b>15824415</b>	<b>100.00</b>	<b>20074415</b>	<b>100.00</b>

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

As per SEBI Guidelines, the allotment of convertible warrants 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	% to Total Equity
1.	M/s Rosebury Investments Pte Ltd	Non-Promoter	Nil	Nil	1950000	9.71
2.	Prime Genius Investments Pte Ltd	Non-Promoter	Nil	Nil	2300000	11.46
	<b>Total</b>				<b>4250000</b>	<b>21.17</b>

**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 convertible warrants 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. 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 shares are listed.

Other terms and conditions as may be prescribed by the Board at its absolute discretion as it may consider fit.

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

Your Directors commend the resolution for approval.

**Item No. 14 & 15**

The present authorized capital of the Company is Rs. 20,00,00,000/- (Twenty Crore only) divided into 2,00,00,000 (Two Crore only) equity shares of Rs.10/- (Rupees Ten only) each. In view of the proposed issue of convertible warrants on preferential basis, it is decided to increase the authorized equity share capital by creation of 1,00,00,000 additional equity shares of Rs.10/- each.

Pursuant to provisions of Section 94(2) and other applicable provisions of the Companies Act, 1956 the power to increase the authorized share capital has to be exercised by the company in general meeting. Accordingly, approval of the shareholders of the company is required for increasing the authorized share capital of the company. In accordance with the provisions of Section 16, 31 and other applicable provisions of the Companies Act, 1956 consequent alteration in the capital clause in the Memorandum of Association as per item 15 also requires the approval of the shareholders at a general meeting.

Pursuant to provisions of Section 94 and other applicable provisions of the Companies Act, 1956 the increase in share capital of shares has to be approved by the company in a general meeting. Accordingly, approval of the shareholders of the company is sought for increasing the authorized share capital of the company.

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: Bangalore  
Date: 4<sup>th</sup> September, 2007

Sd/-  
T N Kannan  
Company Secretary



Cambridge Technology Enterprises Ltd

### Cambridge Technology Enterprises Ltd

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

#### PROXY FORM

Eighth Annual General Meeting – September 29, 2007

Folio No./ DP and Client ID

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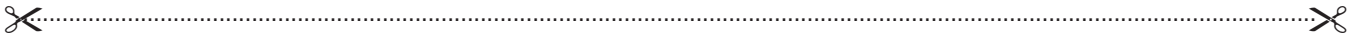
I/We.....of.....in the district of.....being a member(s) of the Company hereby appoint.....of.....in the district of.....or failing him / her.....of in the district of .....as my / our proxy to vote for me / us on my / our behalf at the Eighth Annual General Meeting of the Company to be held on Saturday, September 29, 2007 at 11.00 a.m. at Hotel Aditya Park Inn, Senate 1&2, Aditya Trade Centre, Ameerpet, Hyderabad - 500 038 and at any adjournment(s) thereof.

Signed this.....day of.....2007.

.....

Signature of member

Note: This form, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered office of the Company, not less than 48 hours before the meeting.



Cambridge Technology Enterprises Ltd

### Cambridge Technology Enterprises Ltd

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

#### ATTENDANCE SLIP

Eighth Annual General Meeting – September 29, 2007

Folio No./ DP and Client ID

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Number of Shares held

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I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the Eighth Annual General Meeting of the Company held at Hotel Aditya Park Inn, Senate 1&2, Aditya Trade Centre, Ameerpet, Hyderabad - 500 038 on Saturday, September 29, 2007 at 11.00 a.m.

.....  
Name of the member / proxy  
(in BLOCK letters)

.....  
Signature of member / proxy

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting. Members are requested to bring their copy of the Annual Report to the meeting.

PRINTED MATTER  
BOOK-POST

*If undelivered, please return to:*

**C | T | E<sup>TM</sup>**

**Cambridge Technology Enterprises Ltd**

**Registered Office**

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

URL: [www.ctepl.com](http://www.ctepl.com)