



Cambridge Technology Enterprises Ltd.

perfect

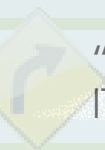
balance

of stability and growth

annual
report 2008



Report



"To be the Single Stop Shop for all
IT services to mid-market enterprises"

B a l a n c i n g t h o u g h t s a n d a c t i o n s ...

discussions and decisions, planning and output, time and work,

imagination and reality, profit and loss, expenditure and value...

in every sphere of activity, in every walk of life...we live by the art



of balance. At CTE, balance is the culture, the core philosophy which

defines the future. Balanced acquisition is the strategy on which

fast-track growth is programmed. With sustainable fast growth,

distances converge, limits vanish, tomorrow becomes today..."

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Board of Directors

Mr. Bhaskar C Panigrahi	-	Chairman & CEO
Mr. Krishna P Nangegadda	-	Wholetime Director
Mr. D.R.R. Swaroop	-	Wholetime Director
Mr. Kamlesh S Gandhi	-	Director
Mr. H.K. Katti	-	Director
Mr. B. Muralidhar	-	Director

Committees of the Board

Audit Committee		
Mr. Kamlesh S Gandhi	-	Chairman
Mr. D.R.R. Swaroop	-	Member
Mr. B. Muralidhar	-	Member

Investor Relations & Shareholders' Committee

Mr. Kamlesh S Gandhi	-	Chairman
Mr. D.R.R. Swaroop	-	Member
Mr. H.K. Katti	-	Member
Mr. B. Muralidhar	-	Member

ESOP Administration Committee

Mr. D.R.R. Swaroop	-	Chairman
Mr. Y. Ramesh Reddy	-	Member
Mr. Jagdish Singh Negi	-	Member

Compliance Officer

Mr. T.N. Kannan	-	Company Secretary
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Statutory Auditors

M/s Walker, Chandiok & Company
Chartered Accountants
Grant Thornton House
53A, Sagar Society, Road No.2
Banjara Hills, Hyderabad 500034.

Internal Auditors

M/s Narven Associates
Chartered Accountants
302, Lingapur House, Himayatnagar
Hyderabad 500029.

Registrar & Share Transfer Agents

M/s Aarthi Consultants Private Limited
1-2-285, Domalguda, Hyderabad 500029.

Bankers

Axis Bank Limited
6-3-879/B, Greenlands, Begumpet Main Road
Hyderabad 500033.

Registered Office

Plot No. 1244, Road No.36
Jubilee Hills, Hyderabad 500033.

Management



Bhaskar C Panigrahi, Chairman & Chief Executive Officer

Bhaskar has a rich experience of more than 14 years as a technology entrepreneur. He is a confident and an innovative leader, with a passion to build a brand of CTE to be the Single Stop Shop for all IT services for mid-size enterprises. Bhaskar has an extensive experience in setting up, building, formulating corporate strategy and direction for various successful organizations. Recently, Bhaskar led a successful IPO of Cambridge Technology Enterprises on both Bombay and National Stock Exchange in India. Under his leadership, Cambridge Technology has grown at 100% CAGR during last three years. Prior to Cambridge Technology Enterprises, Bhaskar served as CEO of CellExchange, an enterprise systems developer to Government enterprises. Before that he served as the CEO of Unique Computing Solutions, an Internet technology and services firm. He also co-founded e-Solutions Integrator in 1999, an e-business consulting firm, which subsequently merged with Unique Computing Solutions. Bhaskar promoted two other technology companies, Mascot Networks (product and solutions provider in education space) and Trading Research Design (financial risk management solution provider). He started his career as a technologist at IBM, State Street Bank and TELCO as the chief architect of some of the Web's earliest products. Bhaskar holds a BS in Computer Science from National Institute of Technology, Suratkal, India. Bhaskar firmly believes that the most valuable assets for a company is the deep relationship with the customer coupled with excellent execution and superior talent. He spends time as much as possible to coach and mentor his management team and making his employees to embrace that working at CTE is more than just developing revolutionary solutions and applications for clients or innovating with the latest technologies. Besides his entrepreneurial interests, he enjoys golf, keenly follows cricket and loves social networking.



Krishna P Nangegadda (Krish), Whole-time Director & President

Krish is the co-promoter of CTE and heads the Company's North America business, comprising Commercial and Government operations. Krish has a rich experience of over two decades in promoting, starting up, and building information technology enterprises. Prior to CTE, Krish was running CellExchange Inc, now the Government Solutions operation of CTE, serving the US Federal Government with innovative solutions in the personnel, logistics, information-sharing and business-transformation domains. Under his able leadership, CellExchange was named to the Washington Technology Fast 50 roster in 2007. In 1995, Krish promoted, founded, and successfully ran the operations of Unique Computing Solutions, an IT services company, until it merged with CellExchange in 2002. Unique was twice named to the Inc. 500 List of fastest growth private companies in North America, and also twice to the Deloitte Fast 50 Regional and Fast 500 National rosters of fastest growth technology companies in the US. In 1986, Krish promoted and founded Unics Infotech Limited in India, and pioneered small-business automation with PC-based business solutions in predominantly non-urban geographies of India. Prior to launching his entrepreneurial career, Krish worked for Larson & Toubro, a \$5 Billion global engineering and technology conglomerate, for five years as a sales engineer, where he was among the top 100 hand-picked engineers to be groomed into L&T's management cadres. Krish also worked for HCL Computers, one of India's largest IT companies, in the early 80's when the IT industry was just opening up in India. Krish earned a bachelor's degree in Electrical Engineering from the Jawaharlal Nehru Technological University, India, and attended the Northeastern University, Boston, Massachusetts, USA for an MBA. Besides being on the CTE Board, Krish also serves on the Board of Directors of the US-based Homeland Security & Defense Business Council, an industry advisory group that provides thought leadership in the application of technology to solving homeland security problems, and helps the US Department of Homeland Security (DHS) formulate its policy.



Ravi Joseph, Senior Vice President - North America Commercial Operations

Ravi Joseph is the Senior Vice President - North America Commercial Operations and heads commercial operations at CTE. Ravi has significant international experience in growing organizations, participating in every aspect of business – strategy, sales & marketing and delivery, and putting in place infrastructure, systems and processes to scale global IT & BPO services businesses. He has worked with over 60 Global 2000 companies in North America, Europe, Japan, Australia, Singapore and the Middle East, and has over 16 years of client facing and India delivery experience in structuring and managing large global outsourcing deals. Ravi was a key member of several successful global IT & BPO services firms. Most recently, he was Senior Vice President at Cambridge Solutions (BSE/NSE listed), where he headed the Manufacturing and Logistics IT Outsourcing business unit. Before this, he was President – CIBER India, a joint-venture between CIBER (NYSE listed) and iGATE (NASDAQ listed). At iGATE, he held various executive positions including Senior Vice President, heading iGATE's North America Outsourcing business unit. Over a 10 year period at iGATE he played a pivotal role in scaling iGATE's outsourcing operation from less than \$1M to over \$125M. Before joining iGATE, Ravi was with Cognizant Technology Solutions (NASDAQ listed). Prior to starting his career in the global IT & BPO services industry, Ravi was associated for over 5 years with C-DAC (Center for Development of Advanced Computing), Pune, and IIT, Chennai, doing R&D in the area of modeling and simulation of dataflow-based machine vision systems. He has a graduate engineering degree from MIT, Chennai.



Brian Courtney, Senior Vice President - North America Govt. Operations

Brian Courtney is the Senior Vice President - North America Govt. Operations and currently heads North America Government Operations. Brian also leads CTE's technology team including oversight of the Oracle Competency Center and the Cambridge Center of Innovation. He has nearly 20 years of IT industry experience. Prior to joining CTE in 2005, Brian was a senior technologist working for Smith & Nephew overseeing their medical informatics initiatives. Brian has also worked as a technology consultant and founded C&C Consulting, Inc. C&C Consulting provided managed services and IT support to the Legal Services industry. Brian holds an MBA from MIT as a Sloan Fellow, and an MS and BS from the University of Massachusetts in Computer Science. Brian was also an adjunct faculty member at Daniel Webster College teaching telecommunications.



Ramesh Reddy, Chief Financial Officer

Ramesh heads the Finance function at CTE. Prior to joining CTE, he was with Virinchi Technologies Ltd., a Hyderabad based start up in e-Business and Web-based analytical solutions. He was SBU head for Malaysia operations with full accountability for all project deliverables through multiple project teams onsite and offshore. In the start-up phase of Virinchi, he played a key role as the Head of the Product Development and Chief Functional Architect, where he defined Virinchi's product scope for B2B Exchanges, and managed the entire development and release of its exchange product suite. Ramesh Reddy is a Chemical Engineer from IIT, Chennai, and holds a Management Degree in Finance & Marketing from XLRI, Jamshedpur.



Jagdish Singh Negi, Vice President - India Delivery

Jagdish Negi is responsible for leading CTE's India Operations and managing all project delivery out of the Hyderabad and Bangalore development centers. He has over 15 years of experience in the field of Telecom, Software development and delivery. Prior to CTE, Jagdish worked with Pune-based Persistent Systems, where he managed multiple projects for US based product development companies. He scaled his last account from a 4-member unit to a 90+ members team within a short span of six months. Prior to Persistent, Jagdish served in the Indian Air Force for 12 years and took release while he was the head of the IT and Information Warfare Cell at Maintenance Air Command. At IAF, he planned, designed and implemented the biggest WAN networks covering the whole of northern India. He was also instrumental in conceptualization and development of number of software applications for the Operations, Maintenance and Administration branches of the IAF. He holds a BS in Computer Science from National Institute of Technology, Allahabad.



Daniel Reilly, Vice President - Process Manufacturing

Daniel Reilly is responsible for process manufacturing division at CTE. He has enriched CTE with an experience of more than 20 years in the process manufacturing industries. He founded Reilly & Associates, Inc., who has a strong niche in the area of Oracle implementations for process manufacturing companies. He led R&A to be the Oracle certified partner and one of Oracles top partners for implementations in the process manufacturing arena. Prior to that Dan was the Manager in Process 1 organization for Accenture (formerly Anderson Consulting). Process 1 was a software package developed by Anderson for use in the food and chemical industries. Before that he has was a sales consultant with Datalogix International, who was one of the premier software vendors with an ERP package focused on Food, Chemical and Pharmaceutical companies. His first stint with the process manufacturing industries started with Anheuser-Busch and Packaging Corporation of America where he was the project manager for the implementation of maintenance planning. He started his career as a cost accountant in the automotive industry. He has a BS in Management from Oakland University and a Masters degree in Business Information Systems from Georgia State University. He has also received his APICS certification in production and inventory management.



Jim D'Augustine, Chief Technology Officer

Jim coordinates the overall technical direction of CTE. He works with CTE clients, partners, and service teams to establish new programs and provide guidance at key milestones throughout the execution cycle. Jim has 25 years experience in creating and maintaining sophisticated software systems, including the design and development of three generations of service-oriented application frameworks using combinations of RPC and message-oriented middleware, and most recently, Web service standards (XML, SOAP, WSDL, UDDI). Jim has spent much of his career in consulting and systems integration companies such as Cambridge Technology Partners and C-bridge Internet Solutions. He led application software development for a wide variety of industries, including financial services, telecommunications, retail, oil and gas, manufacturing, and consumer products. Before CTE, Jim was the Chief Technology Officer at CellExchange, now the Government solutions arm of CTE. Prior to joining CellExchange, Jim served as a Product Manager at Sonic Software to develop product positioning and product development plans for Sonic eXtensible Information Server (XIS) and Sonic Business Process Manager (BPM). He holds a BS in Computer Science from the Boston University.



David Weiser, Senior Vice President, Government Services

Dave is responsible for CTE's execution strategy and positioning in the federal marketplace. Dave has over 30 years of large-scale systems engineering and software development experience, primarily in the US Federal Government space. Prior to joining CTE, Dave held senior management positions at General Dynamics Information Technology (formerly Anteon International Corporation) as a Group Vice President, Information Technology Solutions and most recently as Senior Vice President, Services at CellExchange. At Anteon, he oversaw large-scale software development and system integration projects, such as the Air Force Cargo Movement Operations System, National Emergency Management Information System, and US Army Reserve Data Center Consolidation. Dave's responsibilities also included business development for Government IT solutions with a focus on call centers, data center consolidation, web portal implementation, and applications migration. Prior to his position at Anteon, Dave was Federal Department Manager at CACI, Inc. He has a bachelor's degree in Computer Science from the Troy State University.



Anthony (Tony) Urreta, Senior Vice President, Business Development - Government

Tony has joined CTE as Senior Vice President, Business Development – Government. In his role, Tony is responsible for building and strengthening CTE's presence in the National Capital Region in the US. Tony brings with him three decades of experience working with the US Federal Government. Prior to CTE, Tony held a senior management position at CellExchange which later merged with CTE. Prior to joining CellExchange, Tony was Senior VP Business Development at Nortel Government Solutions. While there he was responsible for overseeing the sales and marketing function including business development and capture for Nortel's Civilian business, which included Federal agencies, such as, Homeland Security, Veterans Affairs, Justice, Treasury, and Transportation, as well as state and local governments. Prior to Nortel, Tony held senior management positions with PEC Solutions (later acquired by Nortel), Getronics/Wang Labs, and Unisys involving P&L, sales, business development, program management, and delivery responsibilities in the DoD and Civilian sectors. Tony holds a bachelor's degree in Business from the LaSalle University and a master's degree in Business from the National- Louis University.



Girish Chaitanya, Country Manager- India

Girish is the Country Manager at CTE and is responsible for the Indian Sales. He has more than a decade on experience in the Indian Market. He was the co founder of Q-Soft Systems and Solutions Pvt Ltd, now a 100% subsidiary of CTE. Q-Soft is a Certified Partner for Oracle and is well known for Oracle Services. In the role of Business Development Director at Q-Soft, Girish was responsible for setting up Q-Soft operation in Mumbai and Chennai. Girish Chaitanya holds a graduate Engineering degree from University of Mysore

Chairman's Message



Dear Shareholders,

All of us are passionate about growth...growth that empowers us to ascend new heights, that instils new confidence and determination to achieve the impossible. Last Financial year, we reached tremendous heights, in leaps and bounds. We at CTE are certain that our growth is nestled in the strong arms of stability and sustainability that has helped us take giant strides towards consistency in the direction of our corporate vision, to be the 'Single Stop Shop' for all IT services to the mid-sized organizations. Today, we can confidently say, we've achieved a perfect balance in stability and growth.

The consolidated revenues for the fiscal, FY 2007-08 were Rs.90.27 Crores (USD 22.58 Million) compared to Rs.23.40 Crores (USD 5.85 Million) of revenues for the fiscal FY 2006-07, the growth translates to over 286% year on year on annualized basis. Your company has recorded a profitability of 206% comparable with the high revenue growth.

A 286% growth in the last year is a true indicator of our achievement. We are proud of the fact that we were among the Top 3 companies at the Emerging India Awards 2008 in the ICE /IT & ITES category, jointly organized by CNBC TV - 18 and ICICI Bank. Also, we were recognized as the 3rd Fastest Growing Technology Companies in India by DataQuest in its latest survey. Balanced strategic acquisitions across the globe, coupled with 'total innovation outsourcing' have fanned our progress to emerge as one of the new faces of Indian SME. Friends, with all your encouragement and support I can assure that 2011 is going to see us as Rs. 1000 Crores (USD 250 M) company.

We were able to reduce our dependency on our Top 5 customers considerably in the last year by expanding our customer base and adding new revenue streams. We started the year with customers in the US market and forayed into the India market by the end of the year. The initial responses of the India customers to the augmented CTE services have been very positive. Many exciting opportunities have been identified in the commercial and government sector in India which will be pursued in FY 2009. Further, CTE plans to expand its operation in the APAC and Europe region in the years to come.

The operations of the Company have now reached higher level of stability and growth and the outlook remains positive for the next year despite many uncertainties in the global economy. Our confidence stems from our expanded market base, extended services portfolio, good portion of revenue and cost being same-shore/ same-denomination and a balanced revenue composition between Government and Commercial segment.

Our cutting edge thinking and methodological approach towards business transformation by aligning business with IT, people and processes around untapped organizational assets has paid-off in a big way, even as our model of innovation through executive workshops with expertise from MIT and Harvard, has given us greater advantage. Also, our focus on mid-sized entities has enabled us to create an exclusive space for ourselves in the IT domain.

With future acquisitions in mind, we have reorganized our corporate structure and restructured our execution model to build a solid platform to realize our aggressive growth plans. This restructuring is aimed at consolidating operations, optimizing core delivery operation, and reorganizing sales/business development to sell one-stop-shop solutions to mid-size commercial and government enterprises.

When it comes to people, we have one of the lowest attrition rates in the industry in the mid-size space. The immense talent, dedication, commitment and support of our employees across the globe are one of our greatest assets.

I am immensely pleased to acknowledge the effort of the Team CTE, my colleagues on the board and all others who have not only believed, but also worked towards our motto..."Think Big...Start Small...Scale Fast". I would like to thank all the Bankers, Financial Institutions, Investors and most of all, the Shareholders for having supported us in our journey till date despite many uncertainties in the global economy and I look forward for continuation of the same in the future too.

Bhaskar C Panigrahi

Vision

To be the single stop
shop for all IT
s e r v i c e s
for mid-size
enterprises

Mission

To create a distinct
business advantage
for mid-size
enterprises through
differential thinking,
o u t o f b o x
innovation and
100% value delivery.