



2012

Annual Report

CTE

CAMBRIDGE TECHNOLOGY ENTERPRISES

BOARD OF DIRECTORS

- | | | |
|-------------------------------------|---|------------------------------------|
| 1. Stefan Hetges | - | Director & Chief Executive Officer |
| 2. Samir Bhatia | - | Director & Chief Financial Officer |
| 3. D R R Swaroop | - | Whole-Time Director |
| 4. L Sridhar | - | Independent Director |
| 5. Mallipudi Anand Pattabhiramkumar | - | Independent Director |
| 6. Motaparthi Venkateswara Rao Kasi | - | Independent Director |

AUDIT COMMITTEE

- | | | |
|-------------------------------------|---|----------|
| 1. L Sridhar | - | Chairman |
| 2. D R R Swaroop | - | Member |
| 3. Motaparthi Venkateswara Rao Kasi | - | Member |

BANKERS

Axis Bank Limited

STATUTORY AUDITORS

P. Murali & Co.
Chartered Accountants
6-3-655/2/3, Somajiguda
Hyderabad 500 082
Andhra Pradesh, India

COMPANY SECRETARY

V Ramana Reddy

REGISTERED & CORPORATE OFFICE

Plot No 8-2-269/A/2/1 to 6, 1st Floor
West Wing, Cyber Spazio, Road No 2
Banjara Hills, Hyderabad - 500 033
Andhra Pradesh, India

REGISTRAR AND SHARE TRANSFER AGENTS

Aarathi Consultants Private Ltd
1-2-285, Domalguda, Hyderabad – 500 029
Andhra Pradesh, India
Tel: +91-40-27638111, Fax: +91-40-27632184
info@aarthiconsultants.com

13th ANNUAL GENERAL MEETING

Day : Friday
Date : 28th September, 2012
Time : 3.00 p.m
Venue : Ruby Hall, 5th Floor, Quality Inn Pearl,
Lumbini Layout, Gachibowli,
Hyderabad – 500 032
Andhra Pradesh, India

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Management Team

Stefan Hetges, Director & Chief Executive Officer

Stefan Hetges started his career as a consultant at Cambridge Technology Group. In 1993, he joined i-Cube as the first employee and was instrumental in the company's growth and later became responsible for i-Cube's European business. The company grew to over \$100 million in revenue and went public in 1998. In 1999, i-Cube was acquired by razorfish. In 2001, Stefan acquired the assets of i-Cube from razorfish in a management buy out and formed smartShift. Stefan has a Masters in Computer from University of Constance.

Anish Dhanda, President

Anish Dhanda is the President at CTE. He has over 19 years of domestic and international experience in business strategy, product design, technology innovation, sales & marketing, operations, and consulting. Anish has extensive knowledge of technical and organizational development in both startup and Fortune 500 organizations within the healthcare, financial, media & entertainment, and IT/software industries. Anish started his career in product management at Open Environment Corporation. He later founded netNumina Solutions and was instrumental in expanding the Company to 180 employees. Prior to CTE, Anish was the CEO of DNSstuff.com, overseeing all aspects of strategy, product management, engineering, and business partnerships. He has also held senior executive roles at New Tilt and GenArts. Anish received numerous honors and awards, including Boston Magazine's 40th anniversary issue as one of the Forty People to Watch and the Premier 100 IT Leaders in Computerworld. Anish holds BS in Electrical Engineering from Lafayette College.

Samir Bhatia, Director & Chief Financial Officer

Samir Bhatia has over 23 years of technology experience, profit & loss responsibility and building companies. He has been a CxO at several startups including Founder President at Tribiosys, Inc. a technology and process consulting firm for bio-techs and pharmaceuticals. He has launched many software and electronic products from concept to successful market penetration. More recently, as CIO at Boston Analytics, a cross border research and analytics firm, he was part of the executive management team with complete financial responsibility and was instrumental in growing the company to 170 people. Samir holds Master's degrees in Computer Science and Physics from Northeastern University.

Arjun Chopra, Chief Technology Officer

Arjun Chopra is the Chief Technology Officer at CTE. He is also the CEO of Vox Holdings, a company he founded in 2006 to spur the creation, consumption and monetization of Open Source Software. Arjun holds multiple technology patents, has worked extensively with Open Source Software for over

10 years and has held several technology development and management positions in Consumer and Enterprise software companies, including Microsoft, Motive and IBCC. He has a BS in Computer Sciences with Highest Honors from The University of Texas at Austin, where he was an Endowed Presidential scholar, and an MBA from Harvard Business School, where he was one of 32 nation-wide PD Soros Fellows.

Joerg Wirthmann, Senior Vice President of Sales, Europe

Joerg Wirthmann joined CTE as part of the recent acquisition of smartShift GmbH along with Stefan. At smartShift GmbH, Joerg was responsible for all world wide sales as well as channel partnership establishment and management. Prior to smartShift GmbH, Joerg held senior sales positions at PeopleSoft, later acquired by Oracle, where he was in charge of Oracle's Application Business Unit. Joerg has over 15 years of experience in sales and management, with past positions at leading IT enterprises, including IDS Scheer, People Soft, Unisys and Vantive. Joerg holds a Master's Degree in Computer Science from Technical University, Darmstadt and a Master's in Business Administration from Schiller International University, Florida.

Jagdish Negi, Head of India sales

Jagdish Negi is responsible for leading CTE's India Operations and managing all project delivery out of the Hyderabad & 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 in 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 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.

Notice

Notice

NOTICE is hereby given that 13th Annual General Meeting of the Cambridge Technology Enterprises Limited will be held on Friday, the 28th day of September, 2012 at 3:00 p.m. at Ruby Hall, 5th Floor, Quality Inn Pearl, Lumbini Layout, Gachibowli, Hyderabad 500 032 to transact the following business:-

Ordinary Business:

1. To receive, consider and adopt the Balance Sheet of the Company as at 31st March, 2012 and the Profit and Loss Account for the year ended on that date together with the Reports of Directors and Auditors' thereon.
2. To appoint Stefan Hetges who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint P. Murali & Co., Chartered Accountants, Hyderabad, the retiring Auditors, as Statutory Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of next Annual General Meeting and to authorize the Board to approve their remuneration.

Special Business:

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

"RESOLVED THAT Mallipudi Anand Pattabhiramkumar, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office upto the date of this Annual General Meeting in pursuance to 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 the Director, be and is hereby appointed as Director of the Company liable to retire by rotation".

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

"RESOLVED THAT Motaparthy Venkateswara Rao Kasi, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office upto the date of this Annual General Meeting in pursuance to 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 the Director, be and is hereby appointed as Director of the Company liable to retire by rotation".

For and on behalf of the Board

Place: Hyderabad
Date : 13th August, 2012

Sd/-
V Ramana Reddy
Company Secretary

Notes:

1. A member of the Company entitled to attend and vote at the 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. The Register of Members and Share Transfer books shall remain closed from Friday, the 21st day of September, 2012 to Friday, the 28th day of September, 2012 (both days inclusive).
4. 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.
5. 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.
6. Members desiring to seek any information/clarifications on the annual accounts are requested to write to the Company at least 7 (Seven) days before the date of AGM to enable the management to compile and keep the information ready.
7. 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.
8. 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.
9. Physical Share Transfers – PAN Copy:

Investors are requested to note that in terms of SEBI Directives, in case of private transaction involving transfer of shares in physical form of listed companies, it shall be mandatory for the transferee(s) to furnish copy of PAN Card to the Company/RTAs for registration of such transfer of shares.

EXPLANATORY STATEMENT

(PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956)

Item No. 4

Mallipudi Anand Pattabhiramkumar was appointed as an Additional Director to occupy the position as an Independent Director in Board meeting held on 13th February, 2012. In terms of 260 of the Companies Act, 1956, Mallipudi Anand Pattabhiramkumar holds office up to the date of this Annual General Meeting of the Company.

Notice under section 257 of the Companies Act, 1956 has been received from a member of the Company along with the requisite deposit proposing the candidature of Mallipudi Anand Pattabhiramkumar, for the office of Director of the Company.

None of the directors except Mallipudi Anand Pattabhiramkumar is deemed to be interested or concerned in the said resolution.

The profile of Mallipudi Anand Pattabhiramkumar is mentioned in the Corporate Governance section of this Annual Report, which may be treated as notice under section 302 of the Companies Act, 1956.

Your Directors commend the resolution for approval.

Item No.5

Motaparthi Venkateswara Rao Kasi was appointed as an Additional Director to occupy the position as an Independent Director in Board meeting held on 13th February, 2012. In terms of 260 of the Companies Act, 1956, Motaparthi Venkateswara Rao Kasi holds office up to the date of this Annual General Meeting of the Company.

Notice under section 257 of the said Act has been received from a member of the Company along with the requisite deposit proposing the candidature of Motaparthi Venkateswara Rao Kasi, for the office of director whose term is liable to retire by rotation.

None of the directors except Motaparthi Venkateswara Rao Kasi is deemed to be interested or concerned in the said resolution.

The profile of Motaparthi Venkateswara Rao Kasi is mentioned in the Corporate Governance section of this Annual Report, which may be treated as notice under section 302 of the Companies Act, 1956.

Your Directors commend the resolution for approval.

For and on behalf of the Board

Place: Hyderabad
Date : 13th August, 2012

Sd/-
V Ramana Reddy
Company Secretary

Directors' Report

Directors' Report

Dear Shareholders,

We are happy to present on behalf of the Board of Directors, the 13th Directors' Report along with the Balance Sheet, and Profit and Loss Account for the year ended 31st March, 2012.

Financial Performance

Key elements of financial performance of Cambridge Technology Enterprises Limited (CTEL) on consolidated and stand alone basis is as below:

(₹ in millions)

S.No.	Particulars	Consolidated Results		Standalone Results	
		FY 2012	FY 2011	FY 2012	FY 2011
1	Revenue from operations	749.98	589.10	307.94	327.62
2	Expenses	(736.81)	(692.78)	(196.09)	(205.55)
3	Depreciation & Amortization	(98.41)	(108.49)	(83.05)	(96.75)
4	Profit from operations before interest, other income and exceptional items	(85.24)	(212.17)	28.79	25.32
5	Finance Charges	(28.99)	(22.12)	(5.36)	(9.52)
6	Other Income	23.02	50.42	20.65	2.85
7	Impairment of intangible assets	(44.52)	-	(30.25)	-
8	Impairment of goodwill	(458.10)	-	-	-
9	Prior period expenses	15.02	3.72	15.01	3.72
10	Change in carrying value of investments	-	-	(37.78)	-
11	Profit from Ordinary Activities Before Tax	(578.81)	(180.15)	(8.93)	22.37
12	Tax Expense	9.49	(5.12)	10.53	(3.92)
13	Net Profit	(569.32)	(185.27)	1.60	18.45
14	Profit & Loss Account Balance Brought Forward	(124.86)	60.42	199.21	180.76
15	Amount Available for Appropriation	(694.19)	(124.86)	200.82	199.21
16	Balance in Profit & Loss Account	(694.19)	(124.86)	200.82	199.21

a. Consolidated Results for FY 2012

Your Company has achieved a turnover of ₹ 749.98 Mn for the year ended 31st March, 2012, as against a turnover of ₹ 589.10 Mn in the previous year and posted operating loss of ₹ 85.24 Mn versus an operating loss of ₹ 212.17 Mn recorded in the previous financial year. Net Loss for the year ended 31st March, 2012 was ₹ 569.32 Mn, and the same was ₹ 185.27 Mn, for the year ended 31st March, 2011. Detailed analysis of consolidated financial statements is given in Management Discussion and Analysis Report forming part of this Annual Report.